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ASEAN Ministerial Meeting

Malaysia's Mahathir Opens Ministers Meeting

BK1907052591 Kuala Lumpur BERNAMA in English 0454 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed Friday called for fresh initiatives and ideas to step up economic co-operation among ASEAN countries to match the already big impact the grouping has made in political and diplomatic co-operation.

The performance of the six-member Association of Southeast Asian Nations (ASEAN) on the economic front required substantial upgrading and the grouping had to refocus both their internal and external economic co-operation on crucial areas such as in intra-regional trade, he said when opening the 24th ASEAN Ministerial Meeting (AMM) here.

The two-day meeting is being attended by the foreign ministers of Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. It will be followed by three days of a Post Ministerial Conference (PMC) with ASEAN's seven dialogue partners, comprising the United States, Japan, Canada, the European Community, Australia, New Zealand, and South Korea, which will be upgraded to full dialogue partner status at this meeting.

The Soviet Union and China were, for the first time, represented at the opening of the AMM. Soviet Deputy Prime Minister Yuriy Maslyukov and Chinese Foreign Minister Qian Qichen will also have informal talks with the ASEAN ministers.

The AMM is expected to discuss new directions for ASEAN in the wake of the end of the cold war, the Gulf war and the fast-changing world political and economic scenario, and latest developments in resolving the Cambodian problem.

Dr. Mahathir, in setting the tone for the meeting, said that while ASEAN should not be a trading bloc and while each member country must remain free to trade with other nations, increasing steps should be taken to enhance regional integration because, with economic strength, ASEAN would have a strong voice in international negotiations for fairer trade terms with the developed countries.

The prime minister said: "We should strengthen our political co-operation by economic means".

There was much room to increase trade flows, create a larger market for complementary industrial ventures, encourage greater private sector participation, and widen and give more impetus to ASEAN's industrial joint ventures, he said.

Dr. Mahathir gave his backing to the recent proposal by Thai Prime Minister Anan Panyarachun for the establishment of an ASEAN free trade area sometime by the turn of the century.

He said that while differences over perceptions on short and long-term benefits among individual ASEAN countries were "hard issues" which made it difficult for them to make the choices, ASEAN had to make a choice if it wished to be counted as an economic force in its own right.

But Dr. Mahathir was confident that the present trade constraints within the region would no longer be so formidable or even relevant by the first quarter of the 21st century because by then, the economic disparity between member countries would have narrowed considerably.

"External and internal markets for ASEAN products would have expanded, thus making the problem of competing economies less relevant," he said of the region's market of 250 million people.

Citing the unsatisfactory level of trade among the ASEAN countries, he said the volume of intra-regional trade and investments remained low, at just 20 percent of the region's total trade, despite an increase in the number of products enjoying preferential trading arrangement.

Promotes Economic Group

BK1907092191 Kuala Lumpur Voice of Malaysia in English 0600 GMT 19 Jul 91

[Text] Datuk Sri Dr. Mahathir Mohamed says the proposed East Asian Economic Group, EAEG, is a realistic approach to counter the adverse and protectionist stance adopted by certain countries and economic groupings. This stance puts the open multilateral trading system in jeopardy. The prime minister said the EAEG will be ASEAN's contribution to the maintenance of an open global trading system.

He was opening the 24th ASEAN ministerial meeting in Kuala Lumpur this morning. He said the economies of ASEAN and other developing countries are dependent on an open trading system and this is being threatened by the new wave of protectionism. Datuk Sri Dr. Mahathir said the EAEG mirrors a belief and close consultation and cooperation between regional countries for their common good.

[Begin Mahathir recording] Let me stress that the EAEG is not a trading bloc, but the concept is that a loose consultative forum comprising countries in East Asia. The EAEG will provide ASEAN and other East Asian countries the leverage and a platform to act in concert and speak with one voice with regard to any trade problem, or trade-related issues. It will not work to restrict or constrict trade. On the contrary, its imperatives will be the defense and maintenance of free trade

and expansion of economic relations between regional countries as well as with those outside the region.

The ASEAN experiences have shown that when countries in a region consult and cooperate, their chances of stability and success are greater. Clearly, an extension of such collaboration and cooperation to encompass the countries of East Asia will have the same effect. Not only will the Zone of Peace, Freedom, and Neutrality or ZOPFAN be served, but by helping the weaker economies of East Asia to grow, intra-regional trade will grow and the problems of economic migration resolved. [end recording]

Datuk Sri Dr. Mahathir went on to say ASEAN and other East Asian countries need an anchor to weather and withstand the adverse trade winds that are blowing. A strong and united ASEAN can bring EAEG into trade and make it work for the positive benefit of all.

The prime minister's speech set the tone for discussion by the ministers over the next two days. It covered a wide range of topics, including Cambodia, linking of human rights to trade matters, and intra-ASEAN trade. He said ASEAN views the linking of human rights to trade, investment, and finance is a form of protectionism.

[Begin Mahathir recording] We question whether the motivations have not in fact been political and self-serving. Malaysia now faces a petition by the International Labor Rights, Education, and Research Fund to withdraw our trade privileges under the U.S. GSP [Generalized System of Preferences]. These labor organizations may seem to be concerned with the welfare of our workers, but should their petition result in the withdrawal of the GSP privileges, the net result will be to reduce investment in our country and create unemployment among the workers. We should recognize their actions for what they really are. ASEAN countries have placed a high premium on political stability by managing a balance between the rights of the individuals and the needs of the society as a whole. These have enabled the ASEAN countries to make great stride in the socioeconomic advancement of their people. They have also enhanced the resilience of individual countries and the ASEAN region as a whole. [end recording]

Addresses Human Rights Issue

BK1907092791 Kuala Lumpur BERNAMA in English 0703 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—Malaysia Friday took issue over the definition of democracy—and with it the issue of human rights—which the developed countries of the West are trying to impose on developing countries of the East.

Malaysian Prime Minister Dr. Mahathir Mohamed rejected the notion that democracy had only one definition to the extent that political systems qualified as being democractic only when they measured up to certain particular yardsticks.

"Similarly, the norms and precepts for the observance of human rights vary from society to society and from one period to another within the same society," he said when opening the 24th ASEAN Ministerial Meeting (AMM) here.

Dr. Mahathir picked up the issue of human rights ahead of next week's post ministerial conference between ASEAN and the European Community (EC) here at which the EC was expected to tie up the issue of trade, investment and finance with the human rights record of the member countries of ASEAN. The EC had taken such a stand at its meeting with ASEAN in Luxembourg in May.

The prime minister described the linkage between the two issues as new forms of conditionalities and protectionism.

It was difficult not to perceive the motivations for linking the two as political and self-serving, he said.

Dr. Mahathir spoke of attempts by some labour groups in the U.S. to have Malaysia's trade privileges under the Generalised System of Preferences (GSP) withdrawn on grounds that Malaysia had violated workers' rights and freedom. He told developed countries that if Malaysia's GSP previleges were taken away, there would be reduced investment in the country, throwing workers ou of jobs. By the same token, nobody could claim to have the monopoly of wisdom to determine what was right and proper for all countries and people, he added.

"It would be condescending, to say the least, and suspect for the West to preach human rights to us in the East," he said. Dr. Mahathir said ASEAN experience had shown that peace and security as well as democracy, freedom and stability were possible and sustainable only when the people were not economically deprived but had a stake in the national life.

For this reason, ASEAN countries had rightly placed a high premium on political stability by managing a balance between the rights of the individual and the needs of society as a whole. This had enabled the region and its people to make great socio-economic strides as well as enhance the resilience of both, individually and collectively.

The prime minister also asked ASEAN countries to strive for a new world order that would not mean freedom from the threat of war but a world free from poverty, hunger and diseases under which countries and peoples must be allowed to maximize their potentials in ways compatible with their historical, cultural and national circumstances.

Turning to the Cambodian conflict to which ASEAN had concentrated its energy for well over a decade in finding a solution, Dr. Mahathir reminded the Cambodian people that if they did not decide for themselves to end the country's civil war, the other parts of the region and rest of the world would pass them by. Cambodians must first find peace among themselves before they could integrate into the regional life, he said.

Malaysian Foreign Minister Speaks at Opening

BK1907095991 Kuala Lumpur BERNAMA in English 0709 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—Malaysia Friday called on ASEAN not to take its economic growth and prosperity for granted in the face of changing global economic trends. Malaysian Foreign Minister Abdullah Ahmad Badawi said that as trading nations, ASEAN countries were immediately affected by any slowdown in the world economy, and their collective economic well-being was closely tied to a strong and open trading system.

"The uncertain developments in the global economic scene makes it imperative that intra-ASEAN economic co-operation be strengthened," he said in his opening statement at the 24th ASEAN Ministerial Meeting (AMM) which began here Friday. The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, Thailand, Singapore and the Philippines.

Abdullah, who was made AMM chairman at the outset of the meeting, urged developed nations to prove their professed commitment to multilaterism by ensuring that the interests of all countries were met, rather than to cater to the interests of a few. He said he was glad that ASEAN officials met here two weeks ago to begin a process of evolving the proposal for an East Asia Economic Group (EAEG). He said they agreed that the working group should continue to meet to further evolve the proposal. He also endorsed the Thai proposal for the establishment of a free trade area in ASEAN by the turn of the century.

Abdullah also said the tendency of certain countries to link issues of environmental protection and human rights to development and economic co-operation could only unravel the constructive and unique relationships that had been built over the years.

On the Vietnamese boat people, he said the key towards finding a solution rested in returning to Vietnam those who are not genuine refugees, as provided for under the Comprehensive Plan of Action (CPA).

Singapore Foreign Minister Wong Kan Seng said ASEAN should press forward with the substance and not the rhetoric and symbolism of economic co-operation. He said real structural reforms should aim at broadening and deepening tariff reductions within ASEAN, and put it in place outward-oriented, export-promoting and foreign investment-induced policies.

Wong said ASEAN should also work to strengthen the global multilateral trading system as it was in its interests to be connected to all major economic groupings.

Indonesia's Alatas Addresses 1st Session

BK1907113191 Jakarta ANTARA in English 1049 GMT 19 Jul 91

[Text] Kuala Lumpur, Jul 19 (OANA-ANTARA)—Three-fourths of the way to a peaceful solution to the Cambodian problem has been completed and there are still many obstacles and sensitive issues that should be settled down, Foreign Minister Ali Alatas stated here Friday.

Addressing the first session of the 24th ASEAN Ministerial Meeting (AMM) at the Putra World Trade Centre here, Alatas further said that a comprehensive political solution to the Cambodian issue is now more closer than expected.

He cited as an example that the Cambodian Supreme National Council (SNC) has now been fully functioning and given big contribution to the peace process in the Southeast Asian country.

Alatas, who together with French Foreign Minister Roland Dumas are cochairmen of the Paris Conference on Cambodia (PCC), referred to the return of former Cambodian head of state Prince Norodom Sihanouk as an active figure in achieving peace process in Cambodia since the second SNC-PCC meeting in Jakarta last June 2-4.

Since the Jakarta meeting, Alatas said, Sihanouk has led the SNC which has held follow-up meetings in Phatthaya, Thailand, on June 24-26 and in Beijing on July 16-17. Sihanouk has long been tipped as the future leader of Cambodia after a free election could be held in Cambodia.

Upon his arrival at Subang International Airport here on Thursday to attend the AMM, Minister Alatas said that Indonesia and France would discuss the accreditation of SNC, consisting of representatives of the Hanoi-backed Hun Sen regime, the Khmer Rouge, the nationalists group KPNLF [Khmer People's National Liberation Front] and the Sihanoukists.

"We are discussing the accreditation, of course, with France. We would want to be in full coordination with France on this," Alatas asserted.

In his speech, Minister Alatas also expressed the hope that the next SNC meetings would be more focused on the basic issues such as the role of the United Nations and its relationship with the SNC, the demobilization of the armed forces of the Cambodian conflicting parties and concrete steps to prevent the recurrence of genocide practices.

In addition to the Cambodian issue, Alatas also touched on the relations and cooperation between ASEAN and its trade partners. The quality and scope of the cooperation, especially in the fields of economy, trade, and technology in general, should be further increased, he said.

He also talked about the justified concern of all ASEAN countries over the increasing tendency among certain

developed countries to attempt to link the issues of human rights and the environment as additional conditionalities in the context of development cooperation.

Alatas earlier stressed the importance for ASEAN to remain vigilant at high level to face challenges and uncertainties in the decade of the 1990s. He said ASEAN institutionally must keep on increasing its activities efficiently both at the regional and international levels.

On the regional security, he said the CSCE process could not be recreated in the Asia and Pacific region, so neither premature calls for establishing Pan-Asia security schemes.

Steps, which are more possible to be taken to maintain the regional security, according to the minister, are solving the Cambodian problem, easing tension in the Korean peninsula, and avoiding troubles in the South China Sea. Besides, it is necessary to improve relations between countries in a region and the super powers as well as among countries within the same region, he said.

Regional security could also be maintained by implementing "openess" in the military issues and enhancing bilateral cooperation such as in handling sea accident cases.

The 24th AMM will last until Saturday and will be followed with a meeting between ASEAN and its dialogue partners, namely Australia, New Zealand, EC, Japan, the United States, South Korea, and Canada from July 22 to 24, 1991.

Minister To Accredit Envoys to Cambodian SNC

BK1907035091 Kuala Lumpur BERNAMA in English 0339 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA-BERNAMA)—ASEAN foreign ministers Friday decided to accredit representatives from their six member nations to the Supreme National Council (SNC) comprising the Phnom Penh government and the three resistance groups in Cambodia.

A statement issued by the ministers said ASEAN would respond positively to the SNC's invitation for foreign countries to accredit representatives.

"It is necessary to take cognizance of the SNC as it is now constituted and functioning, and to extend the required international support," they said.

"At this crucial stage, it is important that all efforts be made to ensure that the momentum of the peace process be maintained," the ministers, who began their two-day annual meeting here Friday added.

The ministers held a working dinner Thursday night on several issues to be discussed at their meeting including the Cambodian question in which they reviewed the latest peace developments to settle the 12-year conflict.

The 12-member SNC, set up under a United Nations peace plan to represent Cambodian national sovereignty until an elected government, appointed in Beijing on Wednesday former coalition leader Prince Norodom Sihanouk as chairman of the council.

Referring to the Beijing meeting, the ministers said they were greatly encouraged by the progress made in a "spirit of compromise and national reconciliation."

Singapore Foreign Minister on U.S. Bases

BK1907053691 Kuala Lumpur BERNAMA in English 0502 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA-BERNAMA)—Singapore Foreign Minister Wong Kan Seng Friday ruled out the possibility of the United States expanding its use of military facilities in the republic to set up a base following the new bases agreement in Manila limiting the Americans to a 10-year lease.

"There is no question of an American base in Singapore," he said. "We have made our position very clear on this from the beginning."

"Besides, the facilities we have are very modest so I do not think it is possible to consider a base in Singapore," he told reporters after the opening of the ASEAN Ministerial Meeting [AMM] here.

The U.S. and Philippine negotiators in Manila recently reached a new military bases agreement in which Clark Air Base, damaged by the Mount Pinatubo volcanic eruptions, would be closed by September 1992, and the Subic Naval Base's lease would run for another 10 years. The current lease expires in September.

Singapore offered the United States use of its military facilities in August 1989, which raised concern in Malaysia and other neighbouring countries of the possible presence of an American base there.

Wong said Singapore's offer was a "gesture to the United States to show that we want them to be in Southeast Asia."

He added that he did not believe the United States would pull out from the region, leaving a vacuum to be filled by another superpower.

The recent U.S. military cutbacks and moves to wind down some military facilities were made because of budgetary difficulties, he said.

ASEAN, he said, was aware of the gradual phase down and would continue to discuss and assess the security implications on the region.

Philippine Foreign Secretary Raul Manglapus said that under the new agreement, the Philippines had the right to unilaterally decide whether to extend the lease on Subic when it runs out in 10 years.

There was a possibility of the Philippines allowing the United States access to its facilities at Subic when the lease ends along the lines of Singapore's offer to the United States, he told reporters after the opening of the AMM.

"We can extend the use of the facilities but it will not be a base," he said, adding that some of the air units at Clark Air Base are being transferred to Subic, including the military airlift command.

Commenting on the new bases agreement, Indonesian Foreign Minister Ali Alatas said ASEAN had always understood that the American bases in the Philippines were a temporary measure "but we leave it to both countries to determine how temporary it is."

This, he said, did not affect ASEAN's concept of a Zone of Peace, Freedom, and Neutrality (ZOPFAN) in the region and the grouping would continue striving to make the concept a reality.

Referring to regional security talks with the seven ASEAN dialogue partners, Alatas said there had been renewed interest for such talks at last year's ministerial meeting in Jakarta and this would be continued here.

ASEAN, he said, had never viewed security in its "constricted sense." Instead, ASEAN perceived security as a "function of national and regional resilience which means strength in all fields including military."

USSR's Maslyukov on Open Market System

BK1907094391 Kuala Lumpur BERNAMA in English 0810 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—The Soviet Union, which is undergoing rapid economic transformation, anticipates that its existing closed economy will change to an open market system, Soviet Deputy Prime Minister Yuriy Maslyukov said Friday.

"In order to achieve this, we require dialogue and cooperation with countries, including ASEAN which is a very important major regional group," he added.

Speaking to newsmen after the opening of the 24th ASEAN Ministerial Meeting (AMM) here, Maslyukov said Sakhalin Island and the Kamchatka Peninsula in the eastern Soviet Union were part of the Pacific region and they could become partners in the international economic integration process.

The Soviet Union, like China, has been invited by Malaysia to attend the opening of the AMM, and will have informal discussions with ASEAN.

He said political and economic reforms initiated in recent years by Soviet President Mikhail Gorbachev through his "new thinking and approaches" to the existing political problems had led to a reduction of tensions. They illustrated that political problems could be resolved peacefully through Gorbachev's approaches, he added.

Maslyukov said he was confident that international conflicts could be resolved if efforts were made to enhance trust between countries. He said his visit provided an opportunity for him to observe and examine prospects for dialogue between the Soviet Union and ASEAN for political and economic cooperation.

Thai Minister Hails Malaysia's Trade Stance

BK1907102591 Kuala Lumpur BERNAMA in English 0932 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—Thailand views Malaysia's stand on the former's proposal for an ASEAN free trade area as positive, its Foreign Minister Asa Sarasin said Friday.

Commenting on the remarks by Malaysian Prime Minister Dr. Mahathir Mohamed on the subject, he said: "We are happy that he is in full agreement with our initiative".

In his speech opening the ASEAN Ministerial Meeting (AMM) earlier Friday, Dr. Mahathir said he saw merit in establishing an ASEAN free trade area although there were many structural factors that inhibit ASEAN's economic integration.

Thailand is "grateful" to Dr. Mahathir for his stand, Asa told reporters. He noted that there were obstacles but said these could be overcome.

Asa said Thailand would put forward its proposal for the free trade area at the fourth ASEAN summit in Singapore on Jan 27. He said he was confident that the proposed free trade area would benefit ASEAN and strengthen its cooperation and relations with its dailogue partners.

PRC Minister on Norms Establishment for Ties

BK1907071091 Kuala Lumpur BERNAMA in English 0845 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—China's Foreign Minister Qian Qichen Friday suggested the establishment of norms to guide relations among countries with regard to the new world order.

"These norms should include such principles as mutual respect, mutual benefit, non-interference in one another's internal affairs and non-aggression," he told reporters after the opening of the 24th ASEAN Ministerial Meeting (AMM) here.

China and the Soviet Union have been invited by Malaysia to attend the opening of the AMM, after which they will have informal talks with ASEAN.

Qian said such steps had to be taken to ensure that the new order was more conducive to world peace and economic development of all countries.

In his speech opening the meeting, Malaysian Prime Minister Dr. Mahathir Mohamed said the new world order should, among other things, promote equal economic opportunity and easy access to modern technology for all countries and peoples.

Asked whether China was keen to be one of ASEAN's dialogue partners, Qian said: "Yes".

ASEAN will have talks with its seven dialogue partners from Monday after the conclusion of the two-day AMM.

Malaysia's Mahathir Remarks on Australian Ties

BK1907082991 Kuala Lumpur BERNAMA in English 0642 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—Malaysia will not seek an apology from Australia over their strained relations when Australian Foreign Minister Gareth Evans calls on Prime Minister Dr. Mahathir Mohamed here for talks.

"I'm not looking for an apology or anything like that. We want to talk, that's all," Dr. Mahathir told reporters after opening the 24th ASEAN Ministerial Meeting at the Putra World Trade Centre here Friday.

He said Australian Prime Minister Bob Hawke had written to him explaining that Evans would be meeting him as his personal envoy.

Dr. Mahathir said he was not setting pre-conditions for the meeting but would be keeping an open mind.

Relations between the two countries were strained following criticisms made by the Australian media against Malaysia.

The date for the meeting has not been revealed but Evans will arrive here Saturday to attend the three-day post ministerial conference (PMC) with ASEAN Foreign Minsters who began their two-day meeting Friday.

Asked if he was hoping for a positive outcome from the meeting, Dr. Mahathir said: "Well, when you talk, you will always hope that you can achieve something".

The prime minister declined to describe the latest state of relations between Australia and Malaysia beyond saying: "We are members of the Commonwealth."

On his scheduled talks with U.S. Secretary of State James Baker, Dr. Mahathir said, among other things, they would discuss bilateral relations and Malaysia's stand on the proposed East Asia Economic Group (EAEG).

He described the ties between the two countries as good but said "as usual there are differences between friends."

Commenting on the outcome of the Group of Seven Industrialised Nations (G-7) summit in London, the prime minister said the G-7 should not only tell others not to use arms but they themselves should also stop selling military weapons all over the world.

Philippines' Manglapus Urges Economic Treaty

BK1907113391 Kuala Lumpur BERNAMA in English 0831 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (OANA/BERNAMA)—The Philippines proposed an ASEAN economic treaty to legally bind the grouping's commitment to economic cooperation, its Foreign Secretary Raul Manglapus said Friday.

Such a treaty, covering the entire range of economic activities of the member countries, would also ensure that ASEAN's commitment to economic cooperation would "go beyond just best efforts", he told reporters after the opening of the 24th ASEAN Ministerial Meeting (AMM) here. He said that apart from trade issues, the treaty would also touch on investment, industrialisation, agriculture and "everything" that has to do with economic cooperation.

Manglapus said he felt that one reason why ASEAN was not moving fast enough in economic cooperation was because the commitments of various member countries were not founded on a firm root of treaty.

According to Manglapus, the success of regional economic cooperation and ultimately integration among developed countries like Europe began with a treaty. He said the treaty would not supercede the proposed East Asia Economic Group (EAEG) as both arrangements had their own special focus regarding trade cooperation.

"EAEG is very important and we have been looking at it with great interest and sympathy in the Philippines," he said.

Japan

Secretary Lauds Joint Declaration With EC

OW1907061691 Tokyo KYODO in English 0440 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—Chief Cabinet Secretary Misoji Sakamoto on Friday lauded the joint declaration issued by Japan and the European Community (EC), saying it is a pledge for bilateral cooperation in political, economic, and other fields.

Although Japan and the EC have had their differences on a number of issues, the declaration says in essence, "Let's use this opportunity to work together on a wide range of issues," he said.

The declaration is good in that it also calls "for equal opportunity in the area of trade," the government spokesman said.

Japan and the EC issued a declaration on trade and political cooperation in The Hague on Thursday, pledging equitable market access and cooperation on global security issues.

Disputes between Tokyo and Brussels on a number of trade issues and Japan's massive trade surplus with the EC have recently strained relations between the two.

Iraninan Embassy Blasts KYODO Assassin Report

OW1907113991 Tokyo KYODO in English 1114 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—The Iranian Embassy in Tokyo on Friday blasted a KYODO NEWS SERVICE report out of New York alleging assassins from Tehran were responsible for the murder last week of the Japanese translator of the controversial book "The Satanic Verses."

In a protest to KYODO, the embassy repeatedly referred to the Iranian opposition group that made the charges Wednesday in New York as "a terrorist group" and said KYODO "has become an instrument for (the) propaganda goals of such (a) terrorist group."

On Thursday KYODO'S Japanese language service carried a story in which the spokesman of the anti-Tehran Islamic Guerrilla Group, Mujahidin-e-khalq, charged that Tehran was behind an assassination group that murdered Hitoshi Igarashi, 44. Igarashi, an assistant professor of islamic studies at Tsukuba University outside Tokyo, had translated "The Satanic Verses" into Japanese.

A KYODO translation of the story was widely circulated Friday in Japan's English-language press.

"The Satanic Verses," written by Indian-born British author Salman Rushdie, has been condemned by Islamic leaders as blasphemy.

Iran's late leader, Ayatollah Ruhollah Khomeini, issued a worldwide death sentence against Rushdie because of the book and Rushdie now lives in hiding.

In a letter to KYODO the Iranian Embassy expressed "grave concern and disgust" with its news report, which the embassy said was "based upon allegations by a terrorist group opposing the Islamic Republic of Iran."

The protest said that Japanese police authorities "are not even certain whether or not (the) murder was motivated by Igarashi's connection to 'The Satanic Verses'."

The embassy went on to blast the opposition group as "nothing more than a criminal and a terrorist gang who since the victory of the Islamic Revolution of Iran terrorized the nation and martyred a large group of high-ranking Iranian officials."

"Obviously, an opportunist group like them will not miss any slightest chances such as the murder of a Japanese citizen to disseminate charges and lies in order to damage the image of Islamic Republic of Iran," the embassy letter said.

Finance Ministry Official on USSR Visit

OW1907124691 Tokyo KYODO in English 1235 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—A Japanese Finance Ministry official Friday discounted the need for Finance Minister Ryutaro Hashimoto to visit the Soviet Union now.

The official was commenting on an agreement earlier in the week in London by the leaders of the seven major industrialized countries to send their finance ministers to the Soviet Union to prepare for giving the Soviets aid.

He said if the fiscal chief visits the Soviet Union, his task will be to judge whether financial aid is to be given to the Soviets. Currently there is no need for him to make a trip because Japan can get information to make that judgment from other sources, said the ranking official, who wanted to remain anonymous.

He said the ministry can obtain a variety of information to check the progress of the Soviets' conversion to a market economy to prepare for receiving aid.

The official said each country should decide on its own whether its finance minister is to visit the Soviet Union.

Ex-Im Bank Offers Easy Terms for USSR Aid

OW1907042491 Tokyo KYODO in English 0327 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—The Export-Import [Ex-Im] Bank of Japan said Friday it has offered easy terms for Japan's 100 million dollar food aid to the Soviet Union.

The government-financed bank declined to elaborate, but informed sources said the proposed terms are in line with the standards for Japan's official credits to foreign countries.

Japan has offered a 100 million dollar credit to the Soviet Union to finance food imports, but its implementation has been delayed for political reasons because of the crackdown by Soviet authorities in the Baltic republic of Lithuania earlier this year.

The sources said the five-year credit will carry an annual interest rate 0.2 percentage point lower than the prevalent long- term prime lending rate of 7.9 percent.

The Ex-Im Bank hopes to sign a formal contract on credit extension by the end of this summer, they said.

The fund will be used by the Soviet Government for food imports from Japan.

Tokyo Considers Endorsing EAEG Proposal

OW1907130091 Tokyo KYODO in English 1250 GMT 19 Jul 91

["Japan May Back EAEG as Forum for Regional Dialogue" by Masanori Kikuta—KYODO headline]

[Text] Kuala Lumpur, July 19 KYODO—Japan seems to be warming to the East Asian Economic Group (EAEG) proposed by Malaysia now that Prime Minister Mahathir Mohamad has scaled down his original proposal, calling for the group to serve as a forum for regional dialogue rather than as a trade bloc, diplomatic sources said Friday.

Japanese Foreign Minister Taro Nakayama is expected to give his support to the EAEG as a forum for regional dialogue when he visits Kuala Lumpur next week, the sources said.

Nakayama is scheduled to arrive in the Malaysian capital sunday for a three-day meeting opening Monday between foreign ministers from the Association of Southeast Asian Nations (ASEAN) and their "dialogue partners," including Japan and the United States.

Japanese Prime Minister Toshiki Kaifu stopped short of supporting the EAEG proposal during a Kuala Lumpur meeting with Mahathir in April.

Kaifu told Mahathir, who proposed the group last December for use as leverage in world trade and economic talks, that Japan would not finalize its position until after ASEAN established a consensus on the idea.

But Japan is more favorable to the plan now that Mahathir has modified his initial proposal to establish the group as a trade bloc, the sources said.

"Let me stress that the EAEG is not a trade bloc but the concept is that of a loose consultative forum comprising countries in East Asia," Mahathir told the opening session of a meeting of ASEAN foreign ministers Friday.

He told reporters later that he is "glad that the Japanese are now more understanding" of the EAEG concept.

"Now they understand it is not a trade bloc," Mahathir said. "I suppose that's what caused them to change their stance."

A senior Japanese Foreign Ministry official said Tokyo is considering endorsing the EAEG if three conditions are met.

The conditions are ensuring that the proposal does not undermine free trade, establishing an asean consensus, and making the idea acceptable to countries with reservations, such as the United States, the official said.

Fujitsu To Fight Patent Dispute in Court

OW1907033491 Tokyo KYODO in English 0255 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—Fujitsu Ltd., Japan's largest computer maker, on Friday filed a counter suit against Texas Instruments Inc. (TI) over the use of the Kilby '275 patent at a Tokyo district court.

Fujitsu claims that it is not using TI's Patent 320,275, otherwise known as the Kilby '275 Patent, and wants its position validated in court.

Earlier in the day, Fujitsu and TI reached a five-year semiconductor patent cross-licensing agreement which does not include the Kilby '275, which is a basic patent for integrated circuits.

TI will file a suit against Fujitsu after the two were unable to reach an agreement on the licensing of the Kilby Patent '275.

"We have opted not to license Patent 320,275 because our products do not rely on the outdated technology covered by that patent. We are taking legal action to obtain confirmation of this," said Hikotaro Masunaga, a member of Fujitsu's Board of Directors in a written statement.

The firms have decided to "fight out the parts of our claims that we differ on," a Fujitsu spokesman said.

The Kilby '275 patent is a wiring technology that links elements within a semiconductor.

The patent, established in Japan in 1989, stemmed from the Kilby Patent which expired in 1981.

Fujitsu officials said TI is demanding it pay royalties equal to 3 percent of the amount of production for chips using the technology.

Fujitsu claims that it is not using the Kilby '275 wiring technology and does not have to pay the royalties.

Ministry Limits Infrastructure Funding Requests

OW1907112491 Tokyo KYODO in English 0822 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—The Finance Ministry has set rules limiting the total amount of funds, which government ministries and agencies can request for infrastructure-related public works projects, to 400 billion yen in fiscal 1992, ministry officials said Friday.

The officials said the rules were made to avoid a rush of requests for appropriations for infrastructure improvement projects in the fiscal year that starts next April 1.

The ministry removed restraints on public works spending for this fiscal year after keeping such expenditures to zero growth for the past decade.

The officials said fund requests for public works this year amounted to 1,158.1 billion yen against the ceiling of 200 billion yen, forcing Finance Ministry officials to engage in hard bargaining with ministries and agencies to trim the sum.

The officials said the ministry will raise the ceiling to 400 billion yen next year, to raise the annual growth of expenditures for infrastructure-related public works by 5.1 percent over the current year.

BCCI Tokyo Branch Moves Most Deposits Abroad

OW1907132391 Tokyo KYODO in English 1312 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—The dormant Tokyo branch of the Bank of Credit and Commerce International (BCCI) has moved most of its deposits into overseas accounts and now has little cash at hand, financial sources said Friday.

The Tokyo branch's deposit balance amounted to about 60 billion yen as of Monday, when it closed voluntarily, and most of the balance was deposited in a BCCI subsidiary in the Cayman Islands, a British territory, the sources said.

The Luxembourg-based BCCI has been ordered by European and U.S. banking authorities to halt operation worldwide because of allegations of a massive fraud.

The Ministry of Finance is considering protecting the branch's assets, though its effectiveness is doubtful now since the branch has little money in Japan, the sources said.

In the wake of the branch's insolvency, there is a growing voice in the financial circles for several countermeasures.

One of the measures is to establish laws and systems in Japan to protect depositors in an insolvent bank branch, including securing its assets in case a bank's operations are suspended by overseas financial or judicial authorities.

The government also must consider adding subsidiaries of foreign banks to the deposit insurance system and they will require foreign banks to be responsible for their own risk management, the sources said.

A group led by Ishikawajima-Harima Heavy Industries Co., which has 13.7 billion yen deposited in BCCI'S Tokyo branch, petitioned the Tokyo District Court to temporarily freeze the rental deposit BCCI gave to Mitsui Real Estate Development Co. when BCCI rented its office in a Mitsui building. The court approved the petition.

The Tokyo branch Monday withdrew voluntarily from the foreign exchange settlement system and the bill clearing system set up by the Tokyo Bankers Association and notified the Finance Ministry it was closing temporarily, international financial sources said.

The Bank of Japan's financial network also suspended on-line transactions with the branch at its request, the sources said.

Official Remarks Further on Securities Scandal

OW1907120291 Tokyo KYODO in English 1125 GMT 19 Jul 91

[Text] Tokyo, July 19 KYODO—A top Finance Ministry official indicated Friday the ministry has no plans to disclose the names of companies that received compensation from big four brokerage houses for investment losses despite a ministry probe into the compensation.

Speaking at a press conference, Vice Finance Minister Hiroshi Yasuda said details of the compensation payments should be made public by the brokerage houses through revisions of their earnings reports as required under the securities and exchange law.

The Big Four—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—have said they can not identify the corporate clients they compensated for losses, citing policies under which the companies do not comment on relations with individual clients.

A senior ministry official said Thursday the investigation into the scandal might include investors who were compensated to determine if the big four broke the law by paying for the losses.

The compensation is not illegal unless the securities houses explicitly promised to cover their clients' losses before they entered into transactions.

Yasuda said his ministry is working hard to draft legislation changing the securities and exchange law to prevent similar scandals. The bill is to be ready for consideration in the extraordinary Diet session to be convened from August 5.

The changes reportedly would ban discretionary accounts that give securities companies control over

investment decisions on a client's funds. Such accounts have been cited as a major factor behind the payback scandal.

On another matter, Yasuda said the ministry had no plans to tighten licensing procedures for foreign banks in the wake of the closure of bank of credit and commerce international branches around the world.

"It is difficult to tighten licensing standards as it runs counter to the globalization of finance that is the current of the times," he said.

Tanabe Leads Ueda in SDP Leadership Race

OW1807121391 Tokyo KYODO in English 1129 GMT 18 Jul 91

[By Tadashi Matsumoto]

[Text] Tokyo, July 18 KYODO—Veteran Social Democrat Makoto Tanabe is leading his rival Tetsu Ueda in the election for chairman of the main opposition party, the Social Democratic Party (SDP), scheduled for Sunday and Monday, according to a recent survey by KYODO news service.

Of about 120,000 full and associate party members eligible to vote in the election to choose a successor to outgoing chairwoman Takako Doi, some 60-70 percent support Tanabe, against 30-40 percent who back Ueda.

Tanabe, 69, is viewed as being on the right wing of the party, while Ueda, 63, is regarded as a center-leftist politician, political analysts said. Both candidates are members of the House of Representatives.

The left wing is accusing its own leaders of supporting Tanabe in the current party crisis stemming from the SDP's crushing defeat in the April local elections across the country, according to the analysts.

Many of the 40,000 associate party members were fervent followers of Doi and are against Tanabe, whom they view as being set to change the party's stand on constitutional issues, the analysts said.

Most of the associate members are antinuclear activists, women and academics recruited during Doi's expansion of the party's political base from trade unionists to civilians.

The associate members were disappointed by the resignation by Doi, whom they consider a defender of the war-renouncing constitution and the SDP's stand that the Self-Defense Forces (SDF) are unconstitutional, the analysts said.

The outcome of the SDP chairmanship election will be determined by how many of these associate members vote for Ueda, the analysts said.

Ueda, a journalist-turned-politician, told reporters that he decided to run for the election to check the moves of the right wing of the party to revise the SDP's policy on the Constitution, which he said would lead to a virtual recognition of the SDF and the Japan-U.S. Security Treaty.

He accused Tanabe of favoring amendment of the Constitution and of trying to affiliate the party with the ruling Liberal Democratic Party (LDP).

Tanabe flatly rejected Ueda's criticism, saying that the SDP should pave the way for creating a system of two big parties in Japan by going ahead with its reform program.

Tanabe led the SDP's reform committee in drafting its new basic policies on the SDF and the Japan-U.S. Security Treaty.

SDP lower house member Shizuo Wada, who runs Ueda's election headquarters, said Tanabe has the wrong approach to taking over power from the LDP. The SDP must follow the example of the French socialists who won power in France, he said.

Wada said the party should garner more support from what he called the multitude of "political clubs" comprising medium-sized and small industrialists, conservationists, and anti-nuclear activists, among others.

Ueda also said he will make every effort to boost the SDP's support rate to 35 percent of the nation's electorate in two years from the current 13-16 percent in order to enable the SDP to seize power.

The two contenders have been campaigning for the election since they filed their candidacies on July 8.

Ueda has held election rallies in Tokyo, Kyoto, Osaka, and other cities across the country, while Tanabe went to Fukuoka, Sapporo, and other cities to seek support from trade-union and civic-group party members.

Major industrial trade unions, including the Japan Postal Workers' Union, have expressed their support for Tanabe, a former member of the union.

The election of the new SDP chairman, scheduled to be officially approved by the July 30-31 party convention, will determine the party's future political course and the Japanese political map, political analysts said.

Matsushita To Produce LCD Laptop Workstation

OW1807013291 Tokyo KYODO in English 2315 GMT 17 Jul 91

[Text] Tokyo, July 18 KYODO—Matsushita Electric Industrial Co. will put on sale a thin film transistor (TFT) color liquid crystal display (LCD) laptop workstation by the end of the year, the NIKKAN KOGYO SHIMBUN newspaper reported Thursday.

Matsushita will be Japan's first computer manufacturer to launch a laptop workstation with a color LCD, it said.

NEC Corp. introduced a TFT color LCD laptop personal computer two years ago ahead of other Japanese computer makers and Toshiba Corp. and Sony Corp. have commercialized laptop workstations.

But these makers have not announced when they will market color LCD laptop workstations.

Matsushita's workstation is likely to be priced below 2 million yen, the paper said.

Mongolia

Vice Premier Interviewed on Economic Crisis

BK1907033691 Hong Kong AFP in English 0321 GMT 19 Jul 91

[By Pierre Lanfranchi]

[Text] Ulaanbaatar, July 19 (AFP)—Mongolia has plunged into a deep economic crisis and popular discontent is on the rise a year after democratisation, as this vast Asian country begins the transformation to a market economy.

For the first time since the founding of the republic 70 years ago, Mongolians are having to submit to rationing. Although there are an estimated 25 million head of livestock in the country, the average Mongolian is allowed only 90 grams (four ounces) of meat per day.

Since Mongolia became the first communist country in Asia to reject Stalinism in a summer 1990 "quiet revolution", no fewer than 116 newspapers and magazines have been launched. But there is no more paper to print them on.

Industry is being turned around painfully slowly, with most factories close to paralysis because of the sudden halt in shipments of raw materials and parts from the Soviet Union and Eastern Europe.

Making matters worse, almost all Soviet technicians and experts have left.

"We don't know how we're going to make it through the next two years," added one top official. "Winter is shaping up to be very hard, and we have only two weeks' worth of oil products in reserve."

The economy, completely integrated for seven decades with that of the Soviet Union, which provided about one-third of the Mongolian Government's budget, depended exclusively on its nothern neighbour for imports.

In return, the Mongolians bartered minerals, meat, wood and dairy products.

The economic problems are reflected in a deteriorating social situation marked by significant increases in unemployment, crime and alcoholism.

Health conditions are also deteriorating rapidly, epecially among children, who suffer frequently from respiratory ailments.

"The lack of modern medicines like aspirin and penicillin is dramatic," said a doctor in the central province of Bulga.

Political officials admit the situatation is grim.

"We are in an emergency situation," Vice Premier Dabaadorjiyn Ganbold told AGENCE FRANCE-PRESSE. "The government is increasing its efforts to eliminate the causes of the crisis. It is only then that we can really undertake the transition to a market economy."

That transition got off to a modest beginning in June with a privatisation program that should be completed in two years. About a dozen state firms have already been sold at auction here.

Although the state retains ownership of the more important economic sectors, especially mining and livestock raising, a stock market is to be opened in September and seven specialists from Harvard University in the United States are already giving speeded- up courses for future stockbrokers.

Laws dealing with corporations, bankruptcies, the prevention of monopolies and employees' rights have already been passed, while a proposed law would open the country to foreign investment by establishing facilities for currency exchange and tax benefits.

The office of the United Nations Development Programme here said, however, that "concrete results in terms of foreign investment have yet to be obtained."

Japan and South Korea, attracted by Mongolia's mineral wealth, are the only foreign countries involved in economic cooperation efforts here that are likely to develop rapidly, international experts said.

Mr. Ganbold said the Asian Development Bank, conscious of both Mongolia's urgent needs and the possibilities of a country literally surrounded by two potentially immense markets, those of The Soviet Union and China, would give the Mongolian Government 240 million dollars between now and 1995.

Mongolia received unanimous praise from Western governments when its ruling communist party accepted free elections and power sharing with democratic parties, but they have not yet provided significant financial aid.

Most Western countries, whose business people have so far proven reluctant to invest here, have been content to provide some food and humanitarian assistance. Washington, which launched a development aid program for Mongolia, has so far sent just two million dollars.

"Mongolia needs at least 150 million dollars immediately just to overcome the shortages," Mr. Ganbold said.

Inspection Agreement Signed With Inner Mongolia

SK1607063991 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 15 Jul 91

[Text] The agreement on friendly cooperation between the Imported and Exported Commodity Inspection Bureau of Inner Mongolia under the PRC and the Imported and Exported Commodity Inspection Bureau of the Industrial and Commercial Council of the Mongolian People's Republic [MPR] was signed in Mongolia recently.

At the invitation of the Commodity Inspection Bureau of the MPR Industrial and Commercial Council, (Yun Xusheng), director of the Commodity Inspection Bureau of the Inner Mongolia Autonomous Region, led a group to visit the MPR from 18 to 23 June in order to promote trade development of the two sides. During the visit, the sides informed each other of the situations in their respective organizations, staffs, and tasks, and of their scope of inspection.

The agreement on friendly cooperation stipulates that the two sides should exchange and provide each other pertinent inspection standards for major and staple exported commodities, and should exchange specialists and technicians to trade commodity inspection skills and methods. In trade activities, commodity inspection departments of importers are allowed to send personnel to the exporters to conduct commodity pre-inspection before the exporters load and transport their commodities.

North Korea

North-South Liaison Officials Meet in Panmunjom

SK1907081091 Pyongyang Korean Central Broadcasting Network in Korean 0710 GMT 19 Jul 91

[Text] Contacts have taken place between the responsible liaison officials of the two sides for the North-South high-level talks. Contacts took place between the responsible liaison officials of the two sides for the North-South high-level talks at 1000 on the morning of 19 July at Tongilgak, on our side in Panmunjom. The officials discussed procedural matters to prepare for the fourth North-South high-level talks.

South Urged To Accept Proposal for Grand March

SK1907054091 Pyongyang KCNA in English 0521 GMT 19 Jul 91

["South Side Must Accept Our Just Proposal"—KCNA headline]

[Text] Pyongyang July 19 (KCNA)—MINJU CHOSON today stresses that if the South Korean authorities truly want to hold a "grand reunification march" for the reunification of the country, they must positively respond to our just stand and demand set out in the statement of the vice-chairman of the Committee for the Peaceful Reunification of the Fatherland.

The news analyst says:

This time our side did not turn down the South Korean authorities' proposal but accepted it, proceeding from a noble stand to achieve national reconciliation and unity and promote national reunification.

If the South Korean authorities truly wanted the reunification of the country, there would be no reason for them to refuse to accept our side's sincere and magnanimous proposal.

What stand the South Korean authorities take toward our side's stand specified in the statement will clearly show their ulterior intention lurking behind their "proposal toward the North."

The day after the South Korean authorities proposed to hold a reunification festival around August 15 as a "nongovernmental function," they passed prison terms on those who had long since prepared the formation of the South side's headquarters of Pomminnyon and imprisoned dissident figures who tried to dispatch delegates of the South side to the first preparatory meeting in Berlin for the '91 pan-national rally.

The South Korean authorities must stop such fascist repression at once.

Students Rally for Yim Su-kyong's Release

SK1907055091 Pyongyang KCNA in English 0446 GMT 19 Jul 91

[Text] Pyongyang July 19 (KCNA)—A women students' rally was held at Chang Chol-ku University Thursday to denounce the South Korean authorities' suppression and demand the release of coed Yim Su-kyong.

The speakers at the rally denounced the South Korean authorities for arresting Yim Su-kyong and other visitors to the North and patriotic students of the South Korean National Council of Student Representatives (Chondaehyop), murdering in cold blood student Kang Kyong-tae who participated in a peaceful demonstration and driving guiltless youth and students to self-immolation.

The No Tae-u ruling group is noisily talking about "unification" and "exchange", with a proposal for "joint celebration of the liberation day", "dialogue" and "travels" these days, but all this is nothing but a base scheme to cover up its anti-reunification, separatist nature, the speakers noted.

They strongly demanded that if the South Korean authorities truly want reunification, they should set free Yim Su-kyong and other visitors to the North, those involved in "Chonminnyon" [National Democratic Alliance of Korea] and "Chondaehyop" and all the "political prisoners" so that they may participate in the August 15 reunification festival.

They expressed their resolution to wage a vigorous struggle to get coed Yim Su-kyong, the "flower of reunification" freed and bring to a success the August 15 grand reunification festival of students in the North, the South and overseas at any cost.

Human Rights Situation in South Analyzed

SK1907054891 Pyongyang KCNA in English 0501 GMT 19 Jul 91

[Text] Pyongyang July 19 (KCNA)—The human rights committee of the Christian church council of South Korea recently exposed the fact that those who were arrested for political reasons after the emergence of the "Sixth Republic" numbered more than 1,630 as of July 15, or more than treble the 1988 figure, adding that this proves that the human rights situation in South Korea is in the worst phase.

This clearly shows that South Korea has turned into a zone of horrible human rights violations and a living hell and the No Tae-u ruling group's advertisement of "democracy" is hypocritical and deceptive, says NODONG SINMUN today in a signed commentary.

The commentary says:

Since he seized dictatorial power, No Tae-u has fulfilled none of his "commitments to democracy" and placed South Korea under a murderous "security-oriented" rule with bloody bayonet brandishing, issuing repressive orders and measures in succession, totally blocking rallies and demonstrations, arresting, imprisoning, trying and punishing people.

The No Tae-u ruling group, upset by the rapidly mounting spirit of reunification among the South Korean people with the approach of the August 15 pan-national rally and the grand reunification festival of students, is intensifying the suppression of the patriotic pro-reunification and pro-democracy forces, especially Chondaehyop [National Council of University Student Representatives], Chonminnyon [National Democratic Alliance of Korea] and other progressive democratic organisations and their leading members.

Due to the reckless bayonet brandishing of the South Korean authorities who are growing high-handed, the situation in South Korea is going from bad to worse with the increase of the number of those arrested for political reasons.

The No Tae-u ruling group must abolish the legal and institutional mechanisms of human rights violations in South Korea, immediately stop bayonet brandshing against the people and step down, bearng the responsiility for having turned South Korea into the worst zone of human rights volations in the world.

Incompatibility of Peace, Nuclear Weapons Viewed

SK1907112791 Pyongyang KCNA in English 1032 GMT 19 Jul 91

[Text] Pyongyang July 19 (KCNA)—Peace and nuclear weapons are incompatible and it is a requirement of the times to build a peaceful world free from nuclear weapons, says a by-lined article of NODONG SINMUN today, which reads in part:

A peaceful world desired by mankind is a world free from the danger of nuclear arms, all of them eliminated from the earth.

If such a world is to be built, the production of nuclear arms must be stopped and the existing nukes be eliminated completely.

Production of nuclear weapons must be stopped above anything else. If their production is allowed, there will be more stockpiles of nuclear arms on the globe and that will increase possibilities of nuclear clash.

It is also an important requisite to world peace to eliminate the existing nuclear arms.

What is important in their dismantlement is to realize universal and complete nuclear disarmament so it may lead to genuine peace.

However, the United States is now filling a gap caused by reduction of some nuclear arms with new-type nuclear weapons and working to shift nuclear arms which are being withdrawn from Europe to the Asia-Pacific and other regions. This is virtually redeployment of nuclear forces, not disarmament. In the final analysis, detente in one region will only result in keying up another tension in the other.

Nuclear disarmament must, of course, be done preferentially in the region where nuclear weapons are densely deployed and which is fraught with the greatest danger of nuclear war.

South Korea ranks first in the world in the density of nuclear arms deployment and it is a hotbed of global nuclear war. If a war break [as received] out in Korea, with many nuclear weapons deployed in South Korea, it will turn into a nuclear one and not only the Korean people but a large number of people in Asia and the rest of the world as well will suffer horrible nuclear disasters.

Peace can be won only through the stubborn struggle of the people of broad strata the world over against the imperialists' policies of aggression and war, the article notes, and goes on:

The world's progressive people must wage a more dynamic struggle for the withdrawal of imperialists' aggressive military bases and armed forces and for the creation of nuclear-free, peace zones. They, in particular, should never tolerate the U.S. imperialists' armed intervention and their policies of aggression against other

countries but check and frustrate them by dealing a collective counterttack at them.

The Korean people, in firm unity with all the world's people who love justice and peace, will thwart the imperialists' policies of aggression and war and more vigorously fight for world peace.

U.S. Military Exercises on 15, 16 Jul Reported

SK1807065891 Pyongyang KCNA in English 0532 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The U.S. imperialist aggressors sent E-3A AWACS [Airborne Warning and Control System] plane from Kadena Base in Okinawa, Japan, in Succession into the sky above the Military Demarcation Line on July 15 and 16, which, making a shuttle flight from the east to the west, committed an aerial espionage for long hours on targets in the strategical depths and frontline areas of the northern half of Korea, according to military sources.

In separate action, the South Korean puppets, at the instigation of the U.S. imperialists, provoked the North by repeated heavy gunfiring near the Demilitarized Zone of the MDL.

On the 15th and 16th, groups of 105 mm guns deployed in Yonchon and Paju Counties of South Korea fired dozens of shells into the MDL area and heavy tanks fired shells, moving toward the MDL.

The puppet army soldiers entrenched on the hillside of a nameless height in Inje County on July 15 fired more than 300 12.7 mm machin gun bullets at a point near the DMZ of the MDL.

On July 16, formations of armed helicopters which made a sortie to the sky above Paju County staged an exercise for matching and striking at targets in North side's areas, making a low-altitude flight above the backside of a nameless height near the DMZ.

The unending reckless military provocations of the U.S. imperialists and the South Korean puppets well show how desperately they are trying to gratify their wild ambition to invade the North.

Beijing Groups Host Banquet Marking Friendship

SK1807121391 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 11 Jul 91

[Text] On the occasion of the 30th anniversary of the signing of the China-Korea Treaty of Friendship, Cooperation, and Mutual Assistance, the Chinese People's Association for Friendship With Foreign Countries and the Chinese-Korean Friendship Association arranged a banquet in Beijing on 9 July. Invited to the banquet were members of a delegation of the Korean-Chinese Friendship Association headed by Yi Cha-pang, chairman of the Central Committee of the association and chairman of the State Science and Technology Committee, now visiting China; Chu Chang-chun, DPRK ambassador to China; Embassy officials; and our students studying in China.

Present at the banquet were Ye Fei, vice chairman of the Standing Committee of the National People's Congress of China; Xu Dunxin, vice foreign minister; Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army [PLA]; Li Shuzheng, deputy head of the International Liaison Department of the CPC Central Committee; Gao Zhangxiang, vice cultural minister; (Chong Minki), assistant to the minister of the Ministry of Foreign Economic Relations and Trade; (Wang Posan), vice mayor of the Beijing Municipal People's Government; Huang Shiming, vice president of the Chinese People's Association for Friendship With Foreign Countries; (Shi Songmun) and Gan Yetao, vice chairmen of the Chinese-Korean Friendship Association; and other functionaries concerned.

The vice president of the Chinese People's Association for Friendship With Foreign Countries and our ambassador spoke at the banquet.

In his speech, the vice president of the Chinese People's Association for Friendship With Foreign Countries said that the splendid celebrations by the two countries of China and Korea on the 30th anniversary of the signing of the China-Korea Treaty of Friendship, Cooperation, and Mutual Assistance are because the signing of the treaty occupies a very important position in the history of friendly relations between the two countries.

Noting that over the past 30 years, the people of China and Korea have supported and helped each other in the accomplishment of the cause of socialism, sincerely implementing basic provisions of the treaty, he said that the friendly and cooperative relations between the two countries have been extensively and deeply developed. He expressed his firm conviction that the development of the friendly and cooperative relations between the two countries has a brighter and more beautiful prospect and that it will play a greater role in accelerating the cause of the two countries' socialist construction and in defending peace in Asia and the rest of the world.

He continued: The diligent and brave Korean people have registered successes that amaze the people of the world in the revolution and construction by invariably adhering to the road of socialism, that is, the road of independence, sovereignty, and self-reliance under the leadership of the Workers' Party of Korea [WPK], headed by President Kim Il-song. The Korean people are now making strenuous efforts to achieve the grand goal of the Third Seven-Year Plan for national economic development. We sincerely wish the Korean people new greater success in their struggle.

It is the common desire of all of the Korean people to achieve the peaceful reunification of the country. The WPK and the Korean Gpovernment have made consistent efforts for this for a long time. We are watching with

joy the changes in the situation on the Korean peninsula that have occurred in recent years thanks to the positive efforts of North Korea.

Recently, the Korean Government decided to enter the United Nations. This will be coducive to continuously leading the situation on the Korean peninsula to develop toward the direction of detente. As in the past, the Chinese people will, in the future, too, resolutely support the Korean people's just cause for the independent and peaceful reunification of the country. The Chinese people resolutely support the policy of achieving Korea's reunification by way of a confederation under one nation, one state, two systems, and two governments as proposed by President Kim Il-song. We believe that the Korean people's sacred cause for national reunification will be achieved without fail.

In referring to the friendly relations between China and Korea, he indicated: The Chinese-Korean friendship has taken root deep in the minds of the people of the two countries because it has overcome grave trials. The Chinese people always treasure this friendship. Under today's circumstance in which a serious change has taken place in the international situation, it is of greater significance to defend and strengthen Chinese-Korean friendship and unity. However the international situation may change in the future, we will still make joint efforts together with Korean comrades to constantly strengthen the relations of Chinese-Korean friendship and the traditional friendship between the people of the two countries.

The participants at the banquet toasted the invincible militant friendship and unity sealed in blood between the people of the two countries of China and Korea, to the long life and good health of the great leader Comrade Kim Il-song, to the long life and good health of the dear leader Comrade Kim Chong-il, and to the long life and good health of esteemed Comrades Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Li Peng.

The banquet proceeded in a warm and friendly atmosphere. The banquet was followed by performances of artists of the PLA.

Yon Hyong-muk Greets Li Peng on Anniversary

SK1807091091 Pyongyang Korean Central Broadcasting Network in Korean 0400 GMT 11 Jul 91

[Text] Comrade Yon Hyong-muk, premier of the State Administration Council, sent a message of congratulations to Comrade Li Peng, premier of the PRC State Council. The message expressed warm congratulations to him on the occasion of the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance and continued:

With the conclusion of the treaty, the people of the two countries of Korea and China, supporting and cooperating with each other as reliable allies, have not only successfully smashed all sorts of maneuvers by the imperialists to obliterate the cause of socialism and firmly defended the gains of socialism, but are also reliably defending peace and security in Asia even under today's complicated international situation.

Expressing my firm belief that the relations of friendship and cooperation between the two countries of Korea and China will be further expanded and developed according to the spirit of this treaty, I sincerely wish you new success in your responsible work for the enrichment and prosperity of your country.

TASS Cited on Treaty With USSR Anniversary

SK1907032891 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 7 Jul 91

[Text] On 5 July the TASS News Agency of the Soviet Union released a commentary on the 30th anniversary of the signing of the USSR-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance. Saying that the peace-loving and creative character of the treaty of friendship, cooperation, and mutual assistance between the Soviet Union and the DPRK is clear, the news agency stressed that the treaty accords with the interests of the two countries and has contributed to the cause of peace and security on the Korean peninsula and in the Asia-Pacific region.

Referring to the successes attained by our people in the past, the news agency said: The working people of the DPRK have built a socialist state with modern industry and agriculture by overcoming all difficulties. The science, culture, education, and public health of the DPRK have been developed to a high level. Today, the people of the DPRK are struggling to fulfill the decision of the sixth congress of the Workers' Party of Korea and the Third 7-Year Plan.

Indicating that the ardent desire of the Korean people is the peaceful reunification of the country, the news agency stressed that the peaceful reunification of Korea is precisely the work of the Korean people themselves.

The news agency said that on the occasion of the anniversary of the signing of the treaty the Soviet people wish the Korean people peace and happiness and they also wish the Korean people success in the struggle for realizing their desire for national reunification.

Kim Il-song Receives Supreme Soviet Official

SK1907002091 Pyongyang KCNA in English 2228 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The great leader President Kim Il-song today received A. Mokanu, vice-president of the Soviet of the Union of the Supreme Soviet of the USSR, and his companion on a visit to Korea.

Present there were Yi In-kyu, vice-minister of foreign affairs, and Aleksandr Kapto, Soviet ambassador to Korea.

President Kim Il-song had a talk with the guests in a cordial and friendly atmosphere.

He was presented with a gift by the guests.

He arranged a luncheon for them.

Soviet Official Brings Gift for Kim Chong-il

SK1907002391 Pyongyang KCNA in English 2230 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a gift by the vice-president of the Soviet of the Union of the Supreme Soviet of the USSR and his companion on a visit to Korea.

The gift was handed to an official concerned by Vice-President A. Mokanu.

Delegation of Korean Veterans in USSR Arrives

SK1907005291 Pyongyang KCNA in English 2227 GMT 18 Jul 91

[Text] Pyonoyang July 18 (KCNA)—A delegation of Korean veterans residing in the Soviet Union led by Chairman of the Association of Korean Veterans in the Soviet Union Hwang Song-pok arrived here today.

It was met at the airport by Minister for the Reception of Overseas Compatriots Kim Chu-hoe and other officials concerned.

The Ministry for the Reception of Overseas Compatriots gave a reception for the delegation in the evening.

Prefecture in Japan Forms Friendship League

SK1807110191 Pyongyang KCNA in English 1020 GMT 18 Jul 91

[Text] Tokyo July 16 (KNS-KCNA)—An inaugural meeting of the Miyagi Prefectural Dietmen's League for the Promotion of Japan-Korea Friendship was held on July 5.

At the meeting a consensus was reached on the questions of promoting friendship and conducting brisk political, economic and cultural exchange for the normalisation of diplomatic relations with the DPRK.

It discussed a series of matters including the questions of executives and rules.

The League, embracing 46 prefectural assemblymen, was formed with the aim of helping toward the establishment of diplomatic relations between Japan and the DPRK and promoting friendship.

Ties Normalization Resolutions Adopted in Japan

SK1907055691 Pyongyang KCNA in English 0441 GMT 19 Jul 91

[Text] Tokyo July 17 (KNS-KCNA)—Resolutions and recommendations demanding the normalisation of Japan-Korea diplomatic relations were adopted at autonomous assemblies of Japan.

30 different assemblies including the Nara Prefectural Assembly in the prefecture as of July 9 adopted resolutions for early normalisation of Japan-Korea diplomatic relations.

In Shizuoka Prefecture the prefectural assembly, ten city and two cho [block] assemblies adopted resolutions and recommendations as of July 12.

Nine assemblies adopted resolutions in Gunma Prefecture and 21 assemblies in Nagano Prefecture.

Japanese Paper Cited on Detainee in South

SK1807111891 Pyongyang KCNA in English 1033 GMT 18 Jul 91

[Text] Tokyo July 16 (KNS-KCNA)—TOKYO SHIMBUN July 14 carried an article saying that coed Yim Su-kyong who is kept in South Korean prison after participating in the 13th World Festival of Youth and Students held in Pyongyang in 1989 is being praised as the "flower of reunification" and a patriotic student in the Democratic People's Republic of Korea.

The paper noted that the DPRK decided to hold "Yim Su-kyong cup soccer" preliminaries in Pyongyang and all provinces and finals in Seoul on August 12 as part of the reunification festival of students in the North, the South and overseas slated for mid-August.

Pictures of Yim Su-kyong are on display in different places of Korea and documentary films, poems, calendars, etc. praising her have been made, it said.

It informed the readers that Kim Il-song University registered her as its honorary student and awarded her a diploma of graduation, and referred to sincere efforts of the North side at North-South dialogues to make the South side release her.

Korean Students in Japan Denounce South Rulers

SK1907055591 Pyongyang KCNA in English 0436 GMT 19 Jul 91

[Text] Tokyo July 17 (KNS-KCNA)—If the South Korean authorities are interested in national reconciliation and reunification, they should abolish the "National Security Law" which antagonizes fellow countrymen and justifies the suppression of people and release without delay the unreasonably arrested chairman Kim Chong-sik and other leading members of the South Korean National Council of Student Representatives (Chondaehyop), Rev. Mun Ik-hwan, coed Yim Su-kyong, Mr. Yi Hae-hak and other pro-reunification patriotic figures, not trying to mislead the public opinion with phraseology of "joint celebrations" and "exchange".

The Committee of Korean Students in Japan said this in a statement issued on July 15 denouncing the South Korean rulers for arresting the patriotic students.

The South Korean authorities blocked at the point of the bayonet the July 7 student talks for the August 15 grand reunification festival of students in the North, the South and overseas and then arrested eight leading members of Chondaehyop by invoking the "National Security Law".

The Committee of Korean Students in Japan branded the South Korean authorities' brutal fascist suppression as a never-to-be-condoned anti-national act to foil the August 15 grand reunification festival of students and the Seoul pan-national rally and furthermore, foster confrontation and distrust between the North and the South and freeze "two Koreas" at any cost.

The statement strongly demanded that the South Korean authorities practically guarantee all the conditions for holding the August 15 grand reunification festival of students in the North, the South and overseas for peace and reunification of the country and the Seoul pan-national rally.

Kim Tal-hyon Meets Bulgarian Trade Delegation

SK1807074691 Pyongyang KCNA in English
0510 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—Vice-Premier and Minister of Foreign Trade Kim Tal-hyon Wednesday met and had a friendly talk with a Bulgarian Government trade delegation led by Kosta Nikolov, general secretary of the Ministry of Foreign Economic Relations.

Present on the occasion was Kim Chu-song, vice-minister of foreign trade.

Outgoing Bulgarian Envoy Meets Kim Yong-nam

SK1807074891 Pyongyang KCNA in English
0509 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and conversed with Georgi Stoyanov, Bulgarian ambassador to Korea, who paid a farewell call on him on July 17.

Meets With Yi Chong-ok 18 Jul

SK1807111991 Pyongyang KCNA in English
1039 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—Vice-President Yi Chong-ok today met and conversed with the Bulgarian Ambassador to Korea Georgi Stoyanov who paid a farewell call on him at the Mansudae Assembly Hall.

Vice-Minister of Foreign Affairs Kim Chae-suk was on hand here.

Kim Il-song Sends Message to Norodom Sihanouk

SK1907034391 Pyongyang KCNA in English
2245 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to His Royal Highness Samdech Norodom Sihanouk upon his assumption of the post of chairman of the Supreme National Council (SNC) of Cambodia.

The message says:

It is a token of deep trust and expectation of the Cambodian people for you that Your Royal Highness Samdech has become chairman of the Supreme National Council of Cambodia.

Our people are deeply pleased at the fact that meetings of SNC were held in succession with you in the chair and a series of positive measures for the political settlement of the Cambodian problem were taken there.

I express the conviction that the Cambodian SNC will realize at an early date the peaceful coordination and national reconciliation in Cambodia and thus build a new Cambodia, united, sovereign, independent, non-aligned and neutral.

Believing that the traditional relations of friendship and cooperation between the peoples of Korea and Cambodia will further develop in strength, I take this opportunity of sincerely wishing Your Royal Highness Samdech great success in your responsible work.

Kim Yong-nam Meets Nigerian Delegation 18 Jul

SK1907055291 Pyongyang KCNA in English
0451 GMT 19 Jul 91

[Text] Pyongyang July 19 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam met and had a friendly talk with a Nigerian Government information delegation led by Minister of Information Alex Opeemi Akinyele at the Mansudae Assembly Hall on July 18.

Congratulating the Korean people on their great successes in socialist construction, the head of the delegation appreciated popular policies in force in Korea.

He stressed that Korea must be reunified in a peaceful way through North-South dialogue.

On the same day, Vice-Premier and Foreign Minister Kim Yong-nam met and conversed with Legnongo Ndumba Benjamin, newly-appointed ambassador of Gabon to Korea, who paid a courtesy call on him.

Role of 'Chuche Idea' as Guideline Discussed

SK1907112191 Pyongyang KCNA in English
1000 GMT 19 Jul 91

["Chuche Idea Is Guideline of Building Workers' Party of Korea and Its Activities"—KCNA headline]

[Text] Pyongyang July 19 (KCNA)—It is thanks to the chuche idea that our party has hewn a correct path of revolutionary party building in our era and been able to advance under the unfurled banner of socialism, the banner of revolution, without the slightest deviation in

the vortex of history of many storms and vicissitudes, says NODONG SINMUN today in a by-lined article titled "Chuche Idea Is Great Guideline of Building of our Party and Its Activities".

It continues:

The chuche idea is a new guiding idea of the working-class party.

The great leader Comrade Kim Il-song has taught:

"The validity of the chuche idea has been fully proved in the practice of the Korean revolution, and this idea has become the steadfast guideline of our party in the course of many years of struggle."

The idea and theory of party building created and developed and enriched by our party are the chuche-based theory of party building expounded on the principle of the chuche idea and a flawless theory of party building which comprehensively consummates the experience in all the activities of the party in different stages of revolution and conditions of struggle.

The greatness of the chuche idea as the true guiding ideology in building a revolutionary party lies in that it correctly reflects the demands of the times and the aspirations of the popular masses and its validity and vitality have been proved in the protracted practice of revolution.

The chuche idea carries the desire of the popular masses for independence and indicates a correct way of realising independence.

This idea is the source of the spirit of independence instilled into the popular masses and their firm unity in shaping their destiny.

This idea is a great revolutionary idea which was founded and whose might and validity have been proved in the practice of the most arduous Korean revolution ever known in history.

The chuche idea demonstrated its truth and has become a steadfast political philosophy of our party in the course of the development of our revolution.

The great chuche idea is a most correct guideline in the building of a revolutionary party and its activities, the article says, adding:

The chuche idea is a correct guideline of party building and its activities, firstly because it makes it possible to hold fast to the independent stand.

The independent stand is a most revolutionary stand.

It is a stand which enables a man to firmly take the position as a master and exercise his right and discharge his responsibility as such.

It is because our party has firmly maintained the independent stand as demanded by the chuche idea that it has been able to carve out a new path of building an independent party which accords with the law of the development of revolution and demand of the times and assume the looks of a revolutionary party of chuche type.

The chuche idea serves as a correct guideline of the building of the party and its activities also because it indicates the principle of party building centering on man.

The chuche idea indicates a correct principle of party building based on the philosophical world outlook centering on man.

The basic principle of party work and activities and all other principles expounded by the chuche theory of party building are based on the chuche view of man.

The chuche principle of party building indicates the position and role of the leader, the party and the masses in the fulfilment of the revolutionary cause of the working class and the driving force of revolution and fully systematizes the theory of party building on this basis.

The main characteristics of the chuche theory of party building lies in that it is based on the principles of the chuche idea and is evolved with the question of the position and role of the leader as the core.

Completely new and unique is the theory of party building expounded and systematized on the basis of the chuche idea and the chuche principle of party building.

Our party demonstrates the might and attraction, unaffected by any attack of the imperialists and reactionaries as it has been built up in our own way with the chuche theory of party building as the only guideline.

The chuche idea serves as a correct guideline of the building of a revolutionary party and its activities because it sees to it that all the problems arising in the practice of party building and its work are solved with man in the center.

Our party has been able to strengthen and develop as an authoritative and dignified party of chuche today under an arduous and complicated situation and build and add shine to the people-first socialism of our style because it has thoroughly embodied the chuche theory of party building in the building of the party and its activities with a tight grasp on the chuche idea.

The article notes that as a result of the embodiment of the chuche idea our party has been strengthened and developed into a powerful revolutionary party of chuche which is most solid and mightiest.

The looks of our party as a revolutionary party of chuche find expression in the fact that the whole party is united in one mind on the basis of the chuche ideological system and the party forms a harmonious whole with the masses and that the party is leading the revolution and construction to victory, firmly adhering to the revolutionary principle on the basis of the chuche idea.

Our party has established its strategic and tactical leadership on the revolution and construction strictly on the basis of the chuche idea.

We cannot allow ourselves to incline to the way the wind blows, losing our senses, or make the revolution with the help of others, the article siresses, and declares:

Whatever change the condition and circumstances of struggle for socialism may undergo, there will be no change in the stand of our party which is defending to the end the fundamental demands and interests of the working class and popular masses towards independence and carrying them into materialization.

Editorial Urges Increased Power Production

SK1907110691 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 12 Jul 91

[NODONG SINMUN 12 July editorial: "Let Us Even More Vigorously Struggle To Increase Power Production"]

[Text] In vigorously accelerating the socialist economic construction by upholding the great leader Comrade Kim Il-song's New Year's address, one of the important tasks facing us today is to epochally increase power production.

The great leader Comrade Kim Il-song has taught: The workers and technicians of the power industry should operate all generators in full by properly managing the facilities and by conducting inspections, repairs, and maintenance in a timely manner according to the demand of the technological regulations. By so doing, they should epochally increase power production.

Along with the mining industry and the railway transportation sector, the power industry is one of the leading sectors of the people's economy. Only by increasing power production, can production be stabilized in all sectors of the people's economy, and can the people's standard of living be further improved.

Today, all people across the country, by upholding the slogan "What the party decides, we will do!," are vigorously struggling to effect even greater upsurges in production and construction.

Today, what is needed in greater quantities everywhere is power, in addition to coal. Only by ceaselessly increasing power production, can the existing economic foundations be effectively utilized to stabilize production at an even higher level, and can the power needed for irrigation be properly guaranteed for bumper harvests this year as well.

All functionaries and working people should, by upholding the party's appeal for giving firm priority to the leading sectors of the people's economy, vigorousy struggle to increase power production. To this end, the functionaries and working people of the power industry should be firmly decisive and determined and should vigorously struggle to attain without fail the power production goals set by the party.

Today, the workers, technicians, and functionaries of many hydraulic and thermal power plants, by deeply realizing the significance of their mission to fulfill this year's economic plan, have turned out in unison and are gallantly struggling to attain the militant goals set by the party.

The party members and working people of all hydraulic and thermal power plants should manage the power production facilities even more properly, if the situation is difficult. They should find the potential for increasing power production and operate the facilities in full.

The functionaries and working people of the power industry should be even more vigorous and revolutionarily enthusiastic and should be even bolder in performing their mission, as the conditions are unfavorable and as they encounter difficulties and obstacles. Once they set goals, they should attain them by pushing ahead without hesitation.

One of the important issues with which we should grapple today to increase power production is the full operation of the power plants. Today, our country's existing power production capacity is very extensive. So, the full operation of the power plants is very important to properly meet the growing demand of the people's economy for power.

Presently, the power industry should increase power production to the maximum through effective water utilization at the hydroelectric power plants. At the same time, it should vigorously struggle for the full operation of the Pukchang thermal power plant, the Pyonyang thermal power plant, and all other major thermal power plants.

To this end, repair and maintenance should be regularly conducted at the power production facilities, which are the basic means of power production. At the same time, the roles of those who operate the facilities should be enhanced.

Proper coal supply is one of the basic conditions for the full operation of the thermal power plants. The appropriate committees and ministries of the Administration Council should specifically analyze the capabilities and situations of the thermal power plants. By so doing, they should set correct coal supply plans and, then, should guide and control for their unfailing fulfillment.

Presently, the functionaries of the state economic agencies, based on the principle of mobilizing everything for coal production, should adhere to the economic organizational work and to the supply work. They should ensure that the party, the country, and the people offer an active material and technological support to the coal mines.

In particular, the railway transportation sector should extensively organize the concentrated transport according to the demand of the actual development situation. By so doing, it should quickly transport the coal produced by the coal mines to the thermal power plants before the flood season begins.

One of the important issues to epochally increase power production is to actively accelerate the construction of

power plants. Today, under the party's far-reaching plan, the Nam-kang, Kumya-kang, Orang-chon, Yongwon, East Pyonyang, and December thermal power plants and many other power plants are currently under construction.

The construction workers and the soldiers of the People's Army responsible for the construction of the power plants, based on the successes we have already won, should even more vigorously accelerate the construction of the power plants. By so doing, they should put the power plants under construction into operation as soon as possible.

For the construction of power plants, the appropriate sectors and units should ensure the timely production and supply of the related facilities and materials, particularly steel materials and cement.

While epochally increasing power production, we should utilize power effectively. Today, we have extensive potential for power conservation. All party members and working people, with the correct outlook on power conservation, should make utmost efforts to save even a kilowatt-hour of power at their sectors and units.

In particular, the per-product power consumption rate should be radically reduced through technological innovation. This, in particular, should be done even more properly in the chemical and metallurgical industries, which use huge amounts of power? In addition, all other sectors and units should continue to properly organize the alternative production.

The power industry should also direct due attention to rectifying what is inadequate in itself and in preventing the loss of power en route.

Power production and conservation largely depend on the functionaries' organizational work and their guidance. The functionaries of the power industry and all other sectors of the people's economy, according to their given missions, should even more firmly adhere to the organizational work and guidance for production, including planning, supplying materials, distributing manpower, and managing facilities. At the same time, they should always come to the front in dealing with difficult and complicated tasks and should set examples in saving power.

If functionaries give priority to the development of science and technology according to the demand of the Taean work system and adhere to the economic organizational work based on the principle of enhancing economic efficiency, we can effect innovations in operating the power plants in full, in accelerating the construction of power plants, and in saving power for even more effective utilization.

Among the party members and working people, the party organizations and members of three-revolutions teams of the power industry, the power plant construction sector, and all other sectors of the people's economy should continue to deeply explain why power production and conservation is very important today. By so doing, they should ensure that all functionaries and working people, with the high self-consciousness as the masters of production and construction and of the national economy, stabilize power production at a high level, accelerate the construction of power plants, and save power

Let us all be ideologically mobilized for decisive power production and for effective power consumption and make the shouts of hurrah continue to ring at every socialist construction site.

Korea Computer Center Operations Detailed

SK1907005191 Pyongyang KCNA in English 2154 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The Korea Computer Centre is promoting at the final stage the development of programmes to computerise the publication system of newspapers and magazines and production of animated cartoons and designing.

It is directing efforts also to computerising the production processes of enterprises of great importance in the development of the mining industry. The Centre's activities have opened a broad vista for putting the production processes and management of different sectors of the national economy on a scientific basis.

Founded in October last year the Centre has a total building space of 23,000 square metres.

More than a hundred units of uptodate electronic facilities are installed at the centre.

Operating under it are the Sinhung Trading Company, a computer technology training course and a pilot plant.

The Centre is in charge of the dissemination of computer technolooy, the introduction of advanced technology into production sites, supply of latest information and development of new electronic facilities.

The programming industry is the key of the Centre's activities.

It develops programmes not only for the computerisation of production processes and management activities but also for education, health service, fine arts, designing, etc.

What draws special interest is the development of a programme of foretelling cerebral hemorrhage, heart disease and cerebral thrombus and giving prescriptions and a programme of recognising voices.

A programme of recognising hundreds of words by voices and displaying them on the computer screen has been developed recently.

Research is under way to develop it further.

The Centre provides software, hardware and electronic facilities if ordered, and helps the development of new electronic facilities on the spot.

Many scientists and technicians from all parts of the country acquire computer technology and develop programmes of their own need at the Centre.

Foreign service of programmes will be offered in the future. Foreigners may order programmes through the Sinhung Trading Company. O Hui-yong, chief engineer of the Korea Computer Centre told KCNA that the computer technology of Korea could reach a new stage of development in the near future.

Kim Chaek University of Technology Profiled

SK1907012891 Pyongyang KCNA in English
2208 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—A new phonetic typewriter was made recently at Kim Chaek University of Technology.

It recognizes a person's speech and records it on the computer display screen before printing it on the paper. Its precision is very high. It takes only 0.3 seconds in recognizing a word consisting of five to six letters.

It has three styles of letters and can freely adjust the size of the letter.

The typewriter can easily print not only ordinary sentences but also special formulae and various forms.

The university has completed many study subjects of weighty significance in breaking new ground of sciences and developing various domains of the national economy, thus greatly contributing to the progress of the nation's industry.

Many remarkable successes were reported in its researches last year. Among them are the production method of a large high-pressure tube, the deep prospecting method, the manufacture of a super high-pressure vacuum pump and the three-roller pipe rolling mill.

The new deep prospecting method whose capacity is scores of kilometres deep and the physical prospecting technique have already been introduced to discover promising coal deposits in various places.

With the development of the highly efficient super high-pressure vacuum pump, a bright vista has opened for the development of electronic, automation, chemical and light industries.

This pump which draws attention of the world scientific circles was awarded the gold medal at the 18th international invention and new technology exhibition held in Geneva.

The university has also developed many uptodate machine-building technologies including new super high-pressure equipment.

Kim Chaek University of Technology founded in September 1948 is the biggest of its kind in the country.

The university with a total floor space of 96,000 square metres is situated on the bank of the scenic Taedong River flowing through Pyongyang.

Its expansion is now progressing in full scale. When the project is completed, its floor space will reach 246,000 square metres.

The university has sixteen departments of natural sciences including the electronic engineering, machine engineering and power machine departments and more than 120 chairs.

There are many institutes and study rooms for robot engineering and semi-conductor integrated circuits and the postgraduate course in the university.

The university has a powerful teaching staff, which includes more than fifty academicians, professors and doctors including Sin Chong-ip (hydraulic engineering) and Paek Yong-chol (electric engineering). The university has several buildings equipped with excellent educational facilities, a modern scientific library and laboratories furnished with uptodate equipment.

All facilities including the dormitory and public service amenities are available for the study and life of teachers and students.

Many foreign students are studying at the university.

KCNA Review of 19 Jul Pyongyang Press

SK1907060991 Pyongyang KCNA in English
0507 GMT 19 Jul 91

[Press Review]

[Text] Pyongyang July 19 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the vice-president of the Soviet of the Union of the Supreme Soviet of the USSR and his companion and a report that the Soviet guests presented a gift to the dear leader Comrade Kim Chong-il.

Carried in the press is a message of greetings sent by President Kim Il-song of the Democratic People's Repulic of Korea to His Royal Highness Samdech Norodom Sihanouk on his assumption of the post of the chairman of the Supreme National Council of Cambodia.

A MINJU CHOSON article tells about the wise guidance of President Kim Il-song to produce varieties of high-quality shoes in large quantities catering to the physique and tastes of our people.

South Korean people and overseas Koreans voiced full support to the DPRK's proposals for the peaceful reunification of the country highly praising President Kim Il-song as the lodestar of national reunification, says NODONG SINMUN.

Printed in the paper is a message of greetings sent by the C.C. [Central Committee], the Workers' Party of Korea [WPK] to the First Congress of the Sandinist National Liberation Front of Nicaragua.

According to the paper, thanks of the C.C., the WPK was conveyed to the members of the women's survey team of the central survey group who have made a contribution to accelerating the economic construction of the country by drawing a large number of topographical maps for the development of underground resources and land development.

Econews of the press includes reports about crops ruling good and innovations being effected in chemical fibre production.

NODONG SINMUN comes out with an article titled "Chuche Idea Is a Great Guideline in the Building of Our Party and Its Activities," and MINJU CHOSON an article calling for improving and strengthening land administration through proper management of rivers and streams.

The head of the DPRK Foreign Ministry working delegation called a press conference in Austria in regard to the working-level negotiations between the delegation and the International Atomic Energy Agency (IAEA) on the draft of the nuclear safeguards accord (NSA) and the secretary general of the Revolutionary Party of Tanzania visited the DPRK wing of the international trade fair, according to the press.

NODONG SINMUN runs a commentary on the violation of human rights in South Korea, and MINJU CHOSON a commentary saying that the stand of the DPRK regarding the socalled "statement toward the North" issued by the South Korean authorities is a just stand.

Given in NODONG SINMUN is an account of schoolgirls' meetings held at senior middle schools in Pyongyang to demand the release of coed Kim Su-kgyong.

South Korean news of the press includes reports that students of Hannam University held a demonstration at the end of a rally for the defence of the National Council of Student Representatives (Chondaehyop) and a grand reunification festival, the trade unions of three factories under the Dongkuk Steel Mill Co., Ltd., went on strike in demand of a wage hike and the authorities arrested members of the preparatory committee for the formation of the South side's Headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon).

Papers inform the readers that the U.S. imperialists and the South Korean puppets committed provocative aerial espionage and gunfiring near the Military Demarcation Line.

On the occasion of the June 25-July 27 month of anti-U.S. joint struggle the Korean people's struggle for national reunification was supported abroad and foreign public organisations and publications expressed support to the joint statement of the political parties and public organisations of the DPRK, says the press.

"U.S. Imperialists Are Trying To Find a Pretext To Provoke Another War on the Korean Peninsula" is the title of a NODONG SINMUN article.

Appearing in the press are reports that Comrade Fidel Castro made a speech at a ceremony held to award the flag of the Republic of Cuba to the Cuban team that is to participate in the 11th pan-American games, and Zimbabwe and Tunisia affirmed that they would remain faithful to the basic principles of the United Nations, the Organisation of African Unity and the Non-alignment Movement.

According to NODONG SINMUN, the Supreme Soviet of the USSR enacted a law on the state poicy of science and technology, the bureau of the all-army party committee of the organisations of the Communist Party of the Soviet Union within the Soviet Armed Forces rejected the separatist ambition of the "democratic reform movement" initiators and a session of the permanent members of the U.N. Security Council released a communique on arms control in the Mid-East area.

"Building a Peaceful World Free From Nuclear Weapons Is Demand of the Times" and "Defending Peace and Security in Asia Is Common Task of Asian People" are the respective titles of NODONG SINMUN and MINJU CHOSON articles.

South Korea

South, North Korea Hold Talks in Truce Village

SK1907070291 Seoul YONHAP in English 0620 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—South and North Korean liaison officials Friday met in the Truce Village of Panmunjom and discussed matters concerning the forthcoming high-level talks, including the itinerary of the South Korean delegates to go to Pyongyang to attend the talks next month.

Kim Yong-hwan, chief liaison official of the South, delivered a list of the names of the newly-formed South Korean delegation to his northern counterpart, Choe Pong-chun, the South-North Dialogue Secretariat here said.

The fourth high-level talks, to be headed by prime ministers, will be resumed in the North Korean capital on Aug. 27. The fourth meeting was originally scheduled to be held in February but North Korea suspended it in protest against the South Korea-U.S. joint exercise Team Spirit.

The liaison officials did not make a date to resume their meeting but agreed to discuss it later, it was also said.

Both sides reaffirmed their respective positions with regard to the South Korean proposal for "unification march" on Aug. 15 and the North Korean plan to have "pan-national conference."

Officials for High-Level Talks Meet 19 Jul

SK1907033491 Seoul KBS-1 Radio Network in Korean 0300 GMT 19 Jul 91

[Text] The contact of the responsible liaison officials for the North-South high-level talks, which will be held in Pyongyang on 27 August, was held in Tongilgak, the North side's area in Panmunjom, this morning. They exchanged lists of the delegations to the North-South high-level talks and negotiated the date of the talks.

Kim Yong-hwan, our side's responsible liaison official, and Choe Pong-chun, the North side's responsible liaison official, exchanged delegation lists, which consist of seven members and which had been decided earlier. In addition, they exchanged opinions on whether working-level talks should be held.

Seoul To Attend UNCTAD Meeting in Pyongyang

SK1907081491 Seoul YONHAP in English 0719 GMT 19 Jul 91

[Text] Seoul, July 19 (OANA-YONHAP)—North Korea will host the 7th Asian ministerial meeting of the group of 77 in September, and South Korea is planning to attend, the Foreign Ministry said Friday.

The group will meet from Sept. 7 for a two-day senior officials' meeting before the ministerial conference Sept. 10-12, according to the ministry.

The South Korean delegation, of six or seven members, will be headed by either Vice Foreign Minister Yu Chong-ha or Ambassador to Geneva Pak Su-kil.

The group of 77 is part of the U.N. Conference for Trade and Development (UNCTAD) established in 1964 among developing nations. South Korea joined the group in 1964, North Korea in 1973. UNCTAD now has a total of 127 member nations.

The Asian group is comprised of 43 countries, and most of them are expected to attend the Pyongyang meeting, ministry officials said.

The meeting follows inter-Korean prime ministers' talks scheduled in Pyongyang from Aug. 27. It precedes U.N. General Assembly opening in New York Sept. 17 where South and North Korea are to be admitted as full members.

North Korea on December 17 last year said it wants to host the group of 77 general meeting but withdrew a week later, reportedly because of financial reasons.

North Korean Minister to Geneva Han Chang-un proposed at a meeting at UNCTAD headquarters there Thursday that it wishes to host the Asian group meeting, and the proposal was unanimously accepted.

Provisional agenda includes strengthening national and international action on resources for development, global trade, technology, services and commodities.

The Asian group meeting is a preparatory gathering to the UNCTAD general meeting in February next year in Colombia.

Campus Reporters Allowed To Contact North

SK1907081891 Seoul YONHAP in English 0734 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—The South Korean Government permitted Friday Sodaegiryon, the Association of University Journalists in Seoul, to contact North Koreans for their planned news coverage in North Korea.

Sodaegiryon will, accordingly, get in touch through a third country with Choe Hyon-tok, chairman of the (North) Korean Students Committee, to obtain an invitation, a source said.

"Authorities concerned decided to allow Sodaegiryon members to contact North Koreans because there were no political aims in the stated purposes of their visits," a government official said.

The campus journalists earlier applied for an official approval for their visits to North Korea, saying they were planning to cover a unification march, have an interview with the president of Kim Il-song University, conduct an opinion survey of North Korean collegians and have a debate on unification issues with North Korean students.

Dissidents Consider Government's Unification Plan

SK1907091991 Seoul YONHAP in English 0900 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—Chondaehyop, the National Alliance of Student Representatives, said Thursday it would consider participating in a unification march and an open debate on unification problems proposed by the government if the government lifted a ban on a pan-national rally and unification youth festival to be organized by dissident groups.

The alliance said it welcomed as a "positive step" the government's decision to invite dissidents to take part in inter-Korean exchanges.

But it said it was still suspecting that the incumbent government was trying to capitalize on unification issues for its bid to prolong its rule. It noted that the government offered the conciliatory proposal on one hand while staging "massive" arrests of and manhunt for leading Chondaehyop members and Pomminnyon (Pan-National Popular Movement Alliance) on the other hand.

Minister Discusses Joint Development of Mines

SK1807142991 Seoul YONHAP in English 1328 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—South Korea is considering proposing joint South-North development of

North Korean mines, Energy and Resources Minister Chin Nyom said on Thursday.

"The government is thinking to urge the North to seek joint projects for developing small but highly prospective mines in North Korea," Chin told the National Assembly's Energy-Resources Committee.

Chin said the government would pursue development of anthracite coal, steel, copper, zinc and magnesite.

No Tae-u Signs Declaration on UN Charter Rules

SK1907050191 Seoul YONHAP in English 0239 GMT 19 Jul 91

[Text] Seoul, July 19 (OANA-YONHAP)—President No Tae-u Friday signed a declaration pledging to abide by the United Nations charter, completing all domestic procedures for South Korea's membership application to the world body.

South Korea is expected to submit the application to the U.N. secretary general early next month. National Assembly passed the bill on U.N. entry last week.

North Korea already handed in its application July 8. South and North Korea's applications are likely to handled as a single item at the U.N. General Assembly opening Sept. 17 in New York.

No, in a luncheon with current and former foreign ministers and heads of U.N. observer missions, said the U.N. entry carries an important meaning as an end to South-North Korean confrontation and a beginning to reconciliation and cooperation.

"South and North Korea on an international level must cooperate for mutual benefit of the Korean people which, in the end, will hasten the day of peaceful national reunification," No said.

The president instructed Foreign Minister Yi Sang-ok to consult closely with other government offices for an overall plan on widening the scope of inter-Korean dialogue and cooperation within the U.N.

No Stresses Washington, Moscow Ties in Interview

SK1907045791 Seoul YONHAP in English 0206 GMT 19 Jul 91

[Text] Washington, July 18 (YONHAP)—South Korean President No Tae-u stressing the importance of close Seoul-Washington ties, said U.S. military presence in South Korea will be "essential and unchanged" unless there are fundamental changes on the Korean peninsula.

The cold war is over, and the changes are moving toward Asia, toward China and North Korea that will eventually lift the iron curtain in these countries, No said in an interview with LEADERS, a U.S. quarterly magazine.

It is now time for the world to cast its attention to resolving the North-South problem, the president said, by resolving the chronic poverty gap.

The quarterly magazine, under the heading "Korea" with subtitle "Emerging World Power," published an extensive four-page interview covering on Seoul's relations with the Soviet Union and the United States, Korean unification and trade issues.

Expressing full support of Soviet movement for internal reforms, No worried that should the reforms fail, "the world peace structure itself would be affected."

"...I believe the development of substantive bilateral relations will produce mutually advantageous and beneficial results. Further, Soviet cooperation is indispensable if we are to reduce and remove the tension and confrontation in the Korean peninsula."

On South Korea-U.S. relations, the president recalled his own remarks made before U.S. Congress. "In a speech before a joint meeting of the U.S. Congress in October 1989, I said 'the Republic of Korea is an ally of the United States and will remain so.' Today, I can reiterate that even as international situatios change, Korea-U.S. relations will remain firm and solid into the 21st century," No said.

The South Korean leader said that outside perception of anti-U.S. protests in Seoul is misleading, adding the protesters are "a small minority."

"I would say, in fact, they are only a handful when compared with the overwhelming majority of Korean people who steadfastly support a strong bond with the United States," he said.

"To be sure, there often appear criticisms on various aspects of Korea-U.S. relations, but we must not confuse these constructive criticisms with 'anti-Americanism,'" he said.

No called U.S. military role "pivotal" in maintaining peace and stability on the Korean peninsula as well as in Northeast Asia.

"Depending on the situation and military requirements, I would assume that the size of U.S. troops could be adjusted somewhat, but until the situation in the Korean peninsula goes through a fundamental change, the role of the U.S. Forces in Korea will remain essential and unchanges," the South Korean leader said.

No was openly optimistic about chances of Korean unification, saying "it is reasonable to anticipate that a decisive opportunity will present itself by the middle of the '90s."

On trade issues, No reiterated his commitment to South Korea's market opening, saying market liberalization is for South Korea's own economic development.

"I believe that few developing countries are opening their markets as fast as Korea is," No said.

Asked to predict future global political and economic makeup, the president called attention to the North-South problem.

"The prospects for the North-South problem are not very promising," he said.

"A majority of developing and underdeveloped countries are suffering from chronic poverty and foreign debt ...If we are to succeed in building a more peaceful and harmonious world, we must step up international cooperation and find effective solutions to the North-South problem," he said.

Minister Briefs Assembly on North, UN, U.S.

SK1907045691 Seoul YONHAP in English 0016 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—North Korea's entry into the United Nations and signing of the International Atomic Energy Agency's nuclear safeguards accord will be insufficient to deter its development of nuclear weapons, Defense Minister Yi Chong-ku said Thursday.

Answering lawmakers' questions at the National Assembly's Defense Committee, Yi said North Korea's nuclear development would halt only when it gives up the plan to develop atomic armament.

Asked to comment on the intensifying debate over de-nuclearization of the Korean peninsula, the minister said such a debate might only benefit North Korea by giving it enough time to develop nuclear arms.

"It will take a long time before South and North Korea and the surrounding powers hold talks on the de-nuclearization of the Korean peninsula, as such talks will surely cause conflict of interests among these countries. North Korea may only get enough time for its nuclear development," Yi said.

As for the South Korea-U.S. wartime host nation support (WHNS), the minister said consultations were in the final stage and the agreement would be initialled within this year.

"As the WHNS stipulates temporary support for U.S. Forces which will be additionally dispatched here in an emergency, it will not impose a burden on us at ordinary times. The two sides will work out an agreement on the scope of support and burdensharing within the limits of our capability," he said.

Agency Reports Aid to Developing Countries

SK1907020791 Seoul THE KOREA HERALD in English 19 Jul 91 pp 1, 4 (weekend supplement)

[Text] It is no secret that Korea's financial assistance to foreign countries basically came out of the need to counter North Korea's influence in those countries in the 1960s.

While North Korea provided expensive weaponry to African and other Third World countries to obtain their favors, South Korea volunteered to give them trucks, tractors, ambulances and other equipment.

But the end of the Cold War has wrought many changes. There seems no longer any need of such a diplomatic "war of attrition" between the two Koreans.

Instead, there have been calls for South Korea's increased contribution to the world community.

Third World countries now have high expectations of Korea, which they believe is a model for economic development for many developing countries.

"We now have to seriously study ways to give a helping hand to these underdeveloped and developing countries without tied strings," says Yi Nam-ki, president of the new Korea International Cooperation Agency (KOICA).

But the problem is, he says, that Koreans are not much accustomed to the idea of giving something to other countries because of their still vivid memories being on the receiving end of foreign aid. "Most people do not realize that we have advanced to the stage where we should do something for others."

KOICA, which is the Korean version of the U.S. Agency for International Development (USAID) and the Japan (JAICA), came into being in April to handle the nation's financial and technical assistance to foreign countries.

It performs the various tasks of international cooperation which had been performed by different government agencies before.

It handles financial and technical assistance to developing countries, trains their technicians and conducts development studies.

Many countries in Asia and Africa show keen interest in various programs of the agency. China and many East European countries have now joined them and want to send their people to Korea for technical training.

But Yi says resources available are still quite limited in meeting their expectations.

He says Korea's Official Development Assistance (ODA) to foreign countries amounted to some $89 million last year, which was 0.04 percent of the nation's gross national product (GNP).

The Korean government plans to increase the rate to 0.135 percent next year but the figure is still much lower

than the average OECD level of 0.35 percent and 0.3 percent of Japan, according to Yi.

The former ambassador to Italy expects the amount of Korea's foreign assistance to increase sharply after Seoul joins the United Nations as a full member this fall.

In addition to the increased sharing of U.N. costs, he says, Korea also has to pay more to the U.N. agencies and other international organizations after obtaining U.N. membership.

These increased costs may be a burden to the Korean government financially but would surely help Korea have a greater voice in those agencies and to further improve relations with the member countries, especially Third World nations, Yi says.

The KOICA also wants to double the number of foreigners who come to Korea for technical training from 500 in 1991 to 1000 next year.

The agency receives trainees from developing countries for education and training and sends experts and instructors to them in such fields as science, technology, administration, agriculture, fisheries, mining and manufacturing.

This program is so popular that the number of applicants always surpass the capacity, he said. China and East European countries show special interest in training in electronics, economic policy and agriculture, Yi says.

Another major program of KOICA is the "Korean Youth Volunteers," similar to the Peace Corp of the United States.

The agency sends young Koreans, mostly fresh from college, to such developing countries as the Philippines, Indonesia, Nepal, Thailand and Fiji for two years to work with local people in various fields.

The applicants receive training in local customs and languages for three months at the agency before leaving.

Yi says the volunteers do not receive a salary for their work but are supported by the agency with some living expenses.

KOICA sent 50 volunteers this year and plans to hike the number to 100 in 1991, according to Yi.

"This program has so far proved very successful in giving good impressions about Korea to local people and many young Koreans are applying," he says.

Soviets Investigate North's USSR Based Prison

SK1907091291 Seoul SEOUL SINMUN in Korean 11 Jul 91 p 1

[Report from Moscow—YONHAP]

[Text] It has been learned that Soviet authorities recently sent an investigation team to Chegdomyn near Khabarovsk, where a North Korea-operated forestry station is reportedly located, to confirm and investigate the existance of a secret North Korean prison there.

The Soviet paper KOMSOMLSKAYA PRAVDA recently reported that on 9 July an investigation team from the Khabarovsk district prosecutor's office conducted investigations into the North Korean forestry station in Chegdomyn for the first time in 22 years since a forestry agreement was signed between the Soviet Union and North Korea in 1968.

According to this paper, in the investigations, the North Korean side strongly denied the existance of a secret prison there. However, the North Koreans admitted the fact that the forestry station established and operates a "detention facility" to detain those North Korean criminals to be repatriated.

This paper also said that the Soviet investigation team was able to enter the North Korean-operated forestry station only after three days because of the station's strong objection. The paper added that approximately 13,000 North Korean logging workers worked in the forestry station and that they were under command of a general officer from the Ministry of Public Security.

Businessmen Urged To Prepare for NAFTA

SK1907065091 Seoul YONHAP in English 0551 GMT 19 Jul 91

[Text] Seoul, July 19 (OANA-YONHAP)—A leading economic policymaker on Friday urged private businessmen to be well prepared for possible repercussion from the North American Free Trade Agreement (NAFTA).

In a first meeting of the NAFTA Countermeasures Committee, First Assistant Trade and Industry Minister Yu Tuk-hwan said the reviews and preparations by businesses are more urgent than government-led policies in preventing negative side effects from the North American trade pact.

The countermeasures committee, put together by 30 government officials and leading organization and business representatives covering automobiles, electronics, textiles, shoewear, machinery, steel and other major North America-bound products, aims largely at exchanging information and coordinating government policies regarding NAFTA.

The United States, Canada and Mexico announced last February 5 that they have agreed to pursue the NAFTA. The tripartite negotiations are expected to be concluded by this years end, and the agreement is likely to go into effect from late 1992 or early 1993.

The United States is said to be eager to make use of labor force from Mexico to increase its manufacturing competitiveness above regional economic blocs such as the European Community.

Mexico, whose trade with the northern neighbor accounts for 70 percents of its entire volume, wants freer access to the American market while inviting active foreign investment.

Canada is hoping for gains from investment entry into Mexico through NAFTA, officials here analyze.

Officials at the Trade and Industry Ministry say they will prevent repercussion through trade diplomacy at multi-lateral bodies including general agreement on tariffs and trade. They are to set up a NAFTA research team within the Ministry.

Vietnam Official Discusses Investment at Seminar

SK1907091691 Seoul YONHAP in English 0856 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—South Korean firms were reluctant to invest in Vietnam despite "good investment environment," a senior Vietnamese official was quoted Friday as saying.

"Despite favorable investment environment and numerous investment opportunities, South Korean investment in Vietnam is merely 54 million dollars, very small compared with those of other countries," said Hoang Van Huan, adviser to the president of the State Committee for Cooperation Investment of Vietnam.

At a seminar on political-economic trends and investment tactics of Vietnam held here Thursday, Hoang, however, anticipated that bilateral trade and Korean investment in his country would increase as Korean industrialists have had growing interest in Vietnam.

Meanwhile, Kim Kuk-chin, a senior researcher of the Institute of Foreign Affairs and National Security, forecast in the seminar that the U.S.-led Western trade embargo on Vietnam would go in the near future because of growing resistance from developed countries such as Japan, France and Australia, as well as from American firms.

The seminar was sponsored by the International Private Economic Council of Korea with some 100 government officials, businessmen and scholars in attendance.

Contract Signed To Assist Egyptian Company

SK1907033391 Seoul THE KOREA TIMES in English 19 Jul 91 p 8

[Text] Lucky, a subsidiary of the Lucky-Goldstar Group, will provide technical assistance to Egypt to help it manufacture five daily necessities such as detergents, shampoos, toothpastes, soaps and toothbrushes.

Lucky President Choe Kun-son signed a technical assistance agreement on the project with Mohamed Debakey, chairman of the Eastern Industrial Investment of Egypt, in Seoul yesterday.

According to the agreement, the Egyptian company will pay 6 percent of its annual turnover of the five products to Lucky in royalties for the next five years beginning this year.

In addition to the technical assistance, Lucky will also supply raw and intermediary materials to the Egyptian company.

The five products manufactured by the Egyptian firm are required to bear the Lucky trademark.

In the meantime, Lucky will designate countries where the Egyptian company can export the five daily necessities.

Lucky said that the technical assistance to Egypt will serve as a bridgehead for its exploration of third country markets, especially those in the Soviet Union and Eastern Europe.

The company also said that it will provide technical assistance for the manufacture of cosmetics to Egypt in the days to come.

Eastern Industrial Investment is manufacturing daily necessities with the introduction of foreign technology and actively exporting its products to the Soviet Union and Eastern Europe.

Ministry Announces Purchase of 20 BAE Jets

SK1907064891 Seoul YONHAP in English 0510 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—South Korea will buy 20 jet trainers (Hawk 60 Series) from British Aerospace (BAE) between June 1992 and the end of 1993, the Defense Ministry said Friday.

"We will introduce 14 in 1992 and six in 1993," a Ministry official said. The total price of the trainers was reportedly 230 millon U.S. dollars.

Asked on a report that the government plans to introduce additonal surface-to-surface missles from the British company, he said it was true that missiles bought from BAE had been deployed, but had no plan at present to introduce more.

Ministry Estimates 10,000 Illegal Aliens in ROK

SK1907020991 Seoul THE KOREA HERALD in English 19 Jul 91 p 3

[Text] The number of foreigners who illegally overstayed their visas in this country, mostly for employment, increased sharply this year.

The Ministry of Justice said yesterday that a total of 5,440 foreigners have been caught overstaying their visas or working illegally in the country during the period between January and June this year.

The ministry had detected 9,201 "illegal" foreigners last year.

During the one-month intensive crackdown on illegal foreigners last month, the ministry caught 584 foreigners, 161 of them for illegally taking jobs in the country and 423 for overstaying their visas, the ministry said.

Ministry officials said that the recent trend was attributed to the internationalization trend on the part of the country.

They estimated the number of illegal aliens in the country at about 10,000, adding that most of them were from Southeast Asian and African countries.

The nation has become a popular place for foreign travelers with little money since 1988 Seoul Olympic Games. Until then Japan was the most popular place for them, the ministery said.

Unemployed people in the Third World also favor this country because they can easily enter the country without visas and stay up to 15 days for sightseeing, they said.

Those carrying tourist visas can stay in this country for as long as three months, while Japanese immigration authorities more strictly uphold visa requirements, they said. Taking advantage of the loose immigration regulations, the illegal foreigners have been hired as factory or construction workers and housemaids, they said.

Fueling the increasing number of illegal foreigners is the recent severe manpower shortages in the factories and construction industry, they said.

Actually, company owners, especially in the labor-intensive industries and the construction industry, have long appealed to the government for the import of cheap foreign manpower, including ethnic Koreans in China in an effort to overcome the chronic manpower shortage.

According to the ministry, a Filipino only identified as Pakon, 31, was caught July 8 by immigration officials for illegally arranging jobs in the country for more than 10 people from the Philippines.

The Filipino himself has illegally worked at several factories in this country since August last year when he entered the country by paying $1,400 to an agency specializing in such illegal employment, the ministry said.

He, however, became an illegal broker himself in order to get more money before being caught by the ministry.

While acting as a broker, he transferred $1,000 and return air tickets to his 'customers' before they passed through the immigration officials at Kimpo International Airport so that they could prove their status as tourists, the ministry said.

The money and tickets were then returned to another Filipino, his business partner, who usually accompany their customers to this country from the Philippines, the ministry said.

Meanwhile, a total of 2,442 Koreans have been repatriated to this country from foreign countries during the first five months this year, the ministry said.

Those Koreans had overstayed their visas, mostly tourist visas, to be illegally employed in Japan, the United States, Australia and Germany as manual workers or bar hostesses, the ministry said.

Some overstayed their visas while trying to enter schools after finishing language training courses in those countries, the ministry said.

Economic Planners Focus on Curbing Inflation

SK1907030191 Seoul THE KOREA HERALD in English 19 Jul 91 p 5 (weekend supplement)

[By business editor Chong Pong-uk]

[Text] With six months yet to go until the end of the sixth five-year (1987-91) socioeconomic development plan, the Korean economy has largely been in good shape over the plan period, the Economic Planning Board (EPB) said last Friday.

The gross national product (GNP) is preliminarily estimated to have grown by an annual average of 10 percent during the five-year period, 2.8 percentage points higher than the projections made under the plan.

The annual jobless rate averaged 2.6 percent, a record low since Korea launched a series of five-year plans in the early 1960s. Unemployment had been projected at 3.7 percent.

The current account registered an accumulated $24 billion surplus during the plan period against the planned $15.7 billion despite a $2.2 billion deficit last year and an estimated $3 billion deficit this year.

Exports expanded by an annual average of 16.2 percent although the growth rate of overseas shipments was a meager 2.8 percent in 1989 and 4.2 percent last year.

The Korean industries have been restructuring in the pattern of advanced countries, with the industrial share of the agriculture, forestry and fishery sector sinking from 23.6 percent in 1986 to an estimated 17.0 percent this year and that of the manufacturing sector rising from 24.7 percent to 27.4 percent.

The social overhead capital and other service sectors are estimated to account for 55.3 percent of the Korean industries this year, compared with 50.5 percent in 1986.

The Korean economy, however, has witnessed troublesome developments since 1989, the EPB report said.

While exports were slowing, the economic growth was fueled by brisk construction and private consumption, it said adding that the soaring local demands touched off inflation and red figures on the current account.

The inflation rate, as measured by consumer prices, rose to 9.4 percent last year and an estimated 9.5 percent this year, while construction investments increased by an annual average of 19.5 percent in real terms during 1989-91, compared with an annual 13.9 percent expansion during 1987-88.

Private consumption also increased 9.9 percent annually over the three-year period, compared with an annual 9.0 percent rise during the two preceding years.

The consumption binge has contributed to brisk imports.

Imports increased 18.6 percent in 1989, while exports rose a meager 2.8 percent.

The situation was approximately the same last year, with a 13.6 percent increase in imports against a 4.2 percent rise.

The decreased domestic savings ratio in recent years was also among the unfavorable developments.

The ratio, which topped 38.1 percent in 1988, slid to 35.3 percent in both 1989 and 1990, while the total investment ratio has increased steadily—from 30.7 percent in 1988 to 33.5 percent in 1989 and to 37.1 percent last year.

Investments were so brisk in the construction sector that construction investments in 1989 and 1990 represented 18.0 percent and 22.4 percent of the GNP, respectively, compared with 15.8 percent in 1988.

Alarmed by the undesirable experience over the past two or three years, government policymakers and economic planners are refraining from projecting rapid economic growth rates for the seventh five-year (1992-96) plan.

In other words, their concern is focused on curbing inflation and improving the balance of payments, not promoting high economic growth.

For this reason, the Korean economy is projected to grow by an annual average of 7.5 percent in real terms during the seventh plan period.

The projections assumed an annual 7.0 percent increase in private consumption, an annual 8.3 percent expansion in fixed investments and an annual 9 percent rise in merchandise exports.

The annual increase rate of consumer prices is projected to range from 5 percent to 7 percent during 1992-93 and to remain somewhere around 5 percent during 1994-96.

The projections for the seventh plan also call for an annual current account surplus standing at a maximum $1 billion during the first two years and ranging from $3 billion to $7.5 billion during the remaining three years.

Banks Increase Foreign Loans in Early 1990

SK1907091391 Seoul YONHAP in English 0819 GMT 19 Jul 91

[Text] Seoul, July 19 (YONHAP)—South Korea's financial institutions introduced a total of 5,571 million U.S. dollars of foreign loans on the basis of net inflow in the first half this year, a nearly fivefold increase over last year's 1,163 million dollars, the Bank of Korea (BOK) said Friday.

Of that amount, 2,746 million dollars was introduced in long-term loans, in a sharp contrast with 321 million dollars of net outflow last year, said a BOK report submitted to the National Assembly's Finance Committee.

The state-run Korea Development Bank posted 1,393 million dollars of net inflow in January-June, Export-Import Bank of Korea 646 million dollars, Korea exchange bank 537 million dollars, Hanil Bank 427 million dollars and Korea First Bank 422 million dollars, the report said.

Daewoo Signs Tie-Up Agreements for Space Systems

SK1907015591 Seoul THE KOREA TIMES in English 19 Jul 91 p 8

[Text] Daewoo Heavy Industries (DHI) has embarked on the participation in the local production of space satellites through technical cooperation tie-ups with four of the top space systems manufacturers in the world.

DHI president Yi Kyong-hun signed a technical collaboration agreement with representatives of the four foreign companies at the Hilton Hotel yesterday.

The four space systems manufacturers are British Aerospace (BAe) of the United Kingdom, TRW of the United States, Matra of France and Dornier of Germany.

In the signing ceremony, Rog Dancy represented BAe, Ron Sugar TRW and Dominigue Darricau Matra.

According to the agreement, BAe will supply overall technical assistance for Korea's production of its first space satellites named "Mugunghwa-ho" and also manufacture spacecraft.

TRW will take command of the production of turret telecommunications systems, Matra that of altitude and orbit control systems and Dornier that of ground segments.

In the meantime, DHI will take part in the localization of spacecraft and altitude & orbit control systems as well as in the management of ground segments.

Daewoo Telecommunications, a sister company of DHI, will also participate in the project, localizing turret systems and ground segments.

With the technical collaboration with the four foreign companies, DHI is determined to actively take part in the local production of space satellites.

The Korean government plans to launch two space satellites in 1995.

For the project, domestic and foreign enterprises will be invited to submit bids next month.

The government will name successful candidates in March next year.

DHI is the first Korean enterprise to announce its plan to take part in the manufacture of space satellites.

Students Attack NSP Agency Office in Kwangju

SK1907015091 Seoul THE KOREA TIMES in English 19 Jul 91 p 3

[Text] Kwangju—Approximately 300 students attacked the regional office of the Agency for National Security Planning [NSP] and the Kwangju District Prosecutors' Office here yesterday, in protest against the arrests of Kim Chong-sik, chairman of the National Council of Student Representatives (Chondaehyop), and core members of the group.

Police said that roughly 100 students from Choson University and Chonnam National university hurled about 30 firebombs at the NSP regional office at Sogu in the city at around 7:40 A.M.

No property damage and injuries were reported by police following the morning attack.

Police said that the students were dispersed by a 150-strong riot police force, which was posted around the agency's office.

In a separate development, a group of 200 students mounted a surprise attack on the Kwangju District Prosecutors' Office at Chisan-tong here at about 8:25 A.M., lobbing bricks and 100 Molotov cocktails at the law-enforcement facility.

The students demanded the immediate release of Chondaehyop chairman Kim and other leaders, shouting such slogans "Let's protect Chondaehyop to the last."

Two Newspapers Cease Publication

SK1907014991 Seoul THE KOREA TIMES in English 19 Jul 91 p 3

[Text] The Minju Ilbo (Democratic Daily) and its sister paper the weekly Ilyo Shinmun or Sunday edition told the Information Ministry it would cease publication effective yesterday.

The Minju Ilbo, which was inaugurated in November 1989, and its sister weekly Ilyo Shinmun last published editions last Saturday and Sunday respectively.

In the meantime, about 150 members of the daily's trade union that is headed by chairman Yi Kwang-yong are staging a sit-in at the editorial room at the paper's building on Yoido calling for payment of monthly wages and allowances in arrears.

Brunei, Malaysia & Singapore

Malaysia

Court Jails 5 Foreign Environmentalists

BK1907043391 Kuala Lumpur BERNAMA in English 0324 GMT 19 Jul 91

[Text] Miri, East Malaysia, July 19 (OANA-BERNAMA)—Five of eight foreign environmental activists arrested at an anti-logging demonstration in Kuala Baram, near this northern town in Sarawak state, on July 5, were sentenced to between 50 and 60 days jail each by two lower courts here on charges of criminal trespass.

The other three, who pleaded not guilty to the charges, were granted bail pending trial at the end of the month.

In the morning, American John Jake Frederick Kreilick, 29, who holds a masters degree in environmental studies from Montana University, was jailed two months after pleading guilty to the charge. Judge Maria Ahmad ordered the sentence to begin from the date of his arrest on July 5.

Carsten Manfred Huettche, 25, from Berlin, Germany, who pleaded not guilty to the same charge, was released on cash bail of Malaysian $5,000 (U.S.$1,800), pending trial fixed for July 30.

Judge Maria ordered him to produce two sureties, one of whom must be a local resident, and also directed that his passport to be impounded by the court.

Later in the day, Jake James Ian Samuel Bowers, 19, from Hastings, England, Ralf Werner Schmitt, 29, from Berlin, Germany, Deborah Susan Witkin, 34, from Pensylvania, USA, and Nancy Evelyn Rolfe, 24, from Perth, Australia, all pleaded guilty to the charge.

Bowers, a student of Sussex University, was sentenced to 50 days jail while Schmitt, Witkin, and Rolfe were sentenced to 60 days imprisonment each with effect from Thursday.

Two others, Anja Katarina Gabriele Licht, 24, from Sweden and Angela Christina Zelter, 40, from Norfolk, England, who pleaded not guilty, were released on Malaysian $1,000 (U.S.$364) bail in two sureties each.

On July 5, activists claiming to belong to environmental organisations "Robin Wood", "Earth First" and "Reforest the Earth" staged a protest against Malaysia's logging activities.

Five of the members chained themselves to log barges while two others suspended themselves from two cranes at the old and new Kuala Baram ferry points to attract attention.

They also unfurled huge banners with anti-logging slogans and hoisted flags of their organisations.

Police later deported two of the group members, American reporter Annie Leonard, 30, and German correspondent Frank Mumber, 27.

Earlier, when the eight activists were brought to court in a police truck, they could be heard chanting "The truth will prevail", "The earth first" and "We are criminals only because we tell the truth".

Licht was reported to have gone on a hunger strike since her arrest.

Foreign Minister Says Thai Relations 'Good'

BK1807005591 Bangkok BANGKOK POST in English 18 Jul 91 p 3

[Text] Malaysian Foreign Minister Abdullah Ahmad Badawi yesterday discounted former deputy Thai foreign minister Praphat Limpaphan view that relations between the two countries were not good because Malaysia was not being cooperative in solving border problems.

"No, there is no such thing as not being cooperative," the minister told reporters.

He said: "Thai-Malaysian relations have remained good and will remain so. Just a few border incidents don't mean that our relations are not good.

"The fact that we can solve the problems means that our relations are very good, otherwise we would not have been able to solve them."

Speaking after a hearing on Thai-Malaysian problems in Bangkok on Tuesday, Mr Praphat, chairman of the National Legislative Assembly's Foreign Affairs Committee, said the committee feels that "Malaysia has an attitude that is not in keeping with the spirit of cooperation."

Among others, he said, problems of major concern are its taxation of tourists returning to Malaysia across the Thai southern borders and fishing vessels passing through its territorial waters.

The Malaysian minister's comments come just a day before the arrival of Thai Foreign Minister Asa Sarasin to attend tomorrow's annual ASEAN Foreign Ministers meeting.

Mr Asa is expected to suggest to his Malaysian counterpart that the Thai-Malaysian Relations Committee meet more often instead of just once a year to promptly solve problems of that nature.

Border Customs Meeting With Thailand Opens

BK1607071491 Kuala Lumpur Voice of Malaysia in English 0600 GMT 16 Jul 91

[Text] The customs station at Padang Besar will be shifted to the Malaysian-Thai border to help curb smuggling activities. The new post will be located next to the Thai customs post in Pekan Siam. It will be operational by September this year.

The deputy director general of the Royal Excise and Customs Department, Ahmad Abdullah, says this is a short-term measure to reduce smuggling activities, especially that of palm oil into Thailand. All palm oil exported to Thailand will now have to be declared at the Sadao checkpoint. In the long term, all traders between Padang Besar and Pekan Siam, in what is known as the Golden Triangle, will be moved out once the Malayan Railway builds its internal container depot.

Mr. Ahmad was speaking to newsmen after opening the eighth Malaysian-Thai customs border meeting in Langkawi this morning. Recently, Thai enforcement officers seized items from traders in the Golden Triangle area. The Thai Government has since acknowledged that the Golden Triangle is in the Malaysian territory. The head of the Thai delegation, Mr. (Somchainuk), told newsmen that the Thai customs officers were not involved in the incident. He said Thai authorities had been stepping up checks following several incidents where people had died in traffic accidents when smugglers dumped palm oil on the road when they were chased by the authorities.

The two-day meeting will also be looking into the possibility of streamlining customs procedures between the two countries.

Detention of Sabah Minister's Brother Extended

BK1707134891 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 17 Jul 91

[Text] Deputy Home Minister Datuk Megat Junid Megat Ayob has confirmed that Sabah Foundation Director Datuk Dr. Jeffrey Kitingan [brother of Sabah Chief Minister Joseph Pairin Kitingan] is being detained for another two years. He said Datuk Dr. Jeffrey is now being held at the Kemunting Detention Camp. The letter extending the detention was signed by Prime Minister Datuk Sri Dr. Mahathir Mohamed who is the home minister.

Datuk Dr. Jeffrey was first detained on 12 May for 60 days for investigations under the Internal Security Act, ISA. He is believed to have been involved in a plot to take Sabah out of Malaysia.

Spirit 46 Party Secretary Joins UMNO 16 Jul

BK1807132491 Kuala Lumpur NEW STRAITS TIMES in English 17 Jul 91 p 2

[Text] Butterworth, Tues.—The Barisan Nasional [BN or National Front] today received a timely boost when a state Semangat 46 [Spirit 46 Party] strongman joined UMNO [United Malays National Organization].

Semangat 46 [Penang] State Secretary Syed Masir Syed Safi, 59, left the party and submitted his application form to State UMNO Deputy Chairman Dr. Ibrahim Saad tonight.

He sent a letter to State Semangat 46 Chief Datuk Haji Mohamed Yussof Latiff last Friday tendering his resignation from the party.

Syed Masir, who is also the Semangat 46 Permatang Pauh Division deputy chairman and Kampung Setol Branch chief, said more party members were expected to leave the party.

He added that the Kampung Setol Branch would be dissolved soon and members would also join UMNO.

He believed that about 200 members from other branches would follow his action.

Syed Masir's decision to quit the party boosts the Barisan Nasional's morale in its effort to wrest the Prai state seat in the coming by-election.

Syed Masir said he left Semangat 46 for personal reasons saying that the party had failed to unite the Malays.

He also said that he had no confidence in Semangat 46 and pledged his support to BN candidate V. Muthusamy in the by-election.

Dr. Ibrahim welcomed the move, saying that there was something wrong in the state Semangat 46 leadership following the defection of two leaders in one week.

Last week, Semangat 46 Tasik Gelugor Division [leader] Dr. Rodzi Yusuf left the party and joined UMNO.

Dr. Ibrahim believed that Semangat 46 would not be able to woo Malay voters in the by-election by using local leaders.

MCA Expels 6 Members for Kelantan Relations

BK1807132891 Kuala Lumpur NEW STRAITS TIMES in English 17 Jul 91 p 2

[By Alex Choong]

[Text] Kuala Lumpur, Tues.—The MCA [Malaysian Chinese Association] today expelled six Kelantan party members who accepted appointments from the state government.

Party President Datuk Sri Dr. Ling Liong Sik said the Presidential Council accepted the recommendations of the Disciplinary Committee to sack them.

"Those involved will be informed of the decision," he said after chairing the Presidential Council meeting.

The Disciplinary Committee headed by Deputy President Datuk Lee Kim Sai had met on June 27 and recommended the sacking.

Four were appointed district councillors by the PAS [Pan Malaysian Islamic Party]-led government while two others had accepted nominations to the Non-Muslim Affairs Committee.

The district councillors are Mr. Pee Chian Chuan (Gua Musang), Mr. Goh Kim Ha (Machang), Mr. Tee Pong Meng (Kuala Krai), and Mr. See Hee Ngau (Tanah Merah).

The others expelled are Mr. Khoo Beng Ee and Mr. Han Hip Kuan.

Mr. Khoo and Mr. Han were nominated by the Kelantan Chinese Assembly Hall to sit in the Non-Muslim Affairs Committee.

Those expelled can appeal to the Central Committee.

The Disciplinary Committee had also discussed 17 other cases involving members breach of party discipline. It has made its recommendations but they did not include expulsion.

Those involved included division and branch officials who campaigned against Barisan Nasional [National Front] candidates from MCA during last October's general election.

Cambodia

Beijing Meeting Results Called 'Heartwarming'

BK1907045391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 18 Jul 91

[Station commentary: "Another Step Forward Toward Peace and National Reconciliation"]

[Text] The meeting of warring parties ended on the afternoon of 17 July in Beijing. Although the informal meeting of the Cambodian Supreme National Council [SNC] is only preparatory to the official meeting in Bangkok in August, it has produced heartwarming results.

People still remember that the SNC meeting in Phatthaya at the end of June already solved the heart of the issue: All Cambodian parties agreed to an unlimited cease-fire and to stop receiving foreign military aid. This is a major step toward peace and national reconciliation in Cambodia. In Beijing, the SNC unanimously appealed to the United Nations to send its mission to Cambodia to supervise the voluntary cease-fire and the halt of military aid, which is a major key paving the way toward peace and ending the bloodshed in Cambodia.

Apart from this, the SNC also solved its organizational structure by electing Samdech Sihanouk as SNC chairman effective immediately. Samdech Sihanouk himself has announced his neutrality by stepping down as leader of the resistance and leader of the Cambodian National Government. The SNC decided to maintain its 12-member composition. Furthermore, at this informal meeting the SNC also solved a number of issues under its jurisdiction such as appointing a delegation representing the SNC to attend the UN General Assembly's 46th session, a delegation to attend the Mekong Committee's meetings, and the establishment of a secretariat which will start working one week before the SNC meeting, and so on. The SNC also set up a number of working groups, such as the group in charge of drafting internal rules of the SNC and the group in charge of inspecting the site and office of the SNC in Phnom Penh, and so on.

This result has further clearly shown the Cambodian people and world public opinion that the SNC informal meeting in Beijing from 16 to 17 July not only has consolidated the atmosphere of mutual trust among warring Cambodian parties but has also prompted moving the solution to the Cambodian problem another step forward toward peace and national reconciliation.

Our people hope that successive meetings in the future of delegates and working groups, particularly the meeting between Samdech Sihanouk and Comrade Hun Sen in Pyongyang, would enable Cambodian parties to further gain a deeper understanding of one another. This will be opening the way for our fine Angkor motherland to get peace, independence, neutrality, and nonaligned status without the threat of the genocidal regime, which is the persistent and sacred aspiration of the Cambodian people.

Our people express the optimism that through the meeting of the permanent members of the Security Council in Beijing on 18 and 19 July, the United Nations will certainly not reject the dispatch of a coordinating mission as requested by the SNC to prevent cease-fire violations aimed at lessening the Cambodian people's suffering. The Cambodian people are firmly convinced that through the results achieved in Beijing this time around, the SNC meeting in Bangkok in August will solve even more remaining problems.

Heng Samrin Receives Japanese Diet Delegation

BK1807122291 Phnom Penh SPK in English 1107 GMT 18 Jul 91

[Text] Phnom Penh SPK July 18—President Heng Samrin received here Tuesday a visiting Japanese Diet (National Assembly) delegation headed by Yoshio Sakurauchi, MP [member of parliament] of the Liberal Democratic Party.

President Heng Samrin spoke of the aftermath left behind by the genocidal regime of Pol Pot and the Cambodian people's efforts in restoring the national infrastructures since the country's liberation on January 7, 1979.

The Cambodian leader reiterated the Phnom Penh government's goodwill to put an end to the long-running civil war and bring about a real lasting peace to Cambodia, free from the recurrence of genocidal practices by the Pol Pot clique.

He also laid stress on the rapid progress of the situation in Cambodia and the fine results of the Supreme National Council's meeting in Phatthaya, Thailand.

He thanked the Japanese Government and the international community for their contribution to the search for a political settlement of the Cambodian conflict.

President Heng Samrin also told the Japanese delegation of the Phnom Penh government's open-door policy in the national economy, which has so far encouraged foreign businessmen to establish commercial operation with Cambodia and put investment in the country. He expressed his hope for further consolidation of Cambodia-Japan cooperation in the future.

In reply, Yoshio Sakurauchi said he had followed with keen interest the process of a political solution to the Cambodian issue, especially the SNC meeting in Beijing, which according to him would speed up the peace process.

The Japanese head delegate said he intended to expand relations with Cambodia with the establishment of a friendship association.

The delegation left here July 17 winding up a three-day visit to Cambodia.

It was the third Japanese Diet delegation to visit Cambodia since the SNC meeting in Phatthaya. This delegation comprised four members from other parties.

During its stay here, the delegation had talks with Vice Premier Kong Sam-ol on the economic situation in Cambodia. It also went to see the Tuol Sleng Museum of Pol Pot genocide and the former royal palace in Phnom Penh and the Angkor Wat temple.

Leaders Send Greetings on Mongolian Anniversary

BK1907065891 Phnom Penh SPK in English 0441 GMT 19 Jul 91

[Text] Phnom Penh SPK July 19—Cambodian leaders have sent warm greetings to their Mongolian counterparts on the 70th anniversary of the people's revolution of Mongolia.

In his congratulatory message to Punsalmaagiyn Ochirbat, president of the People's Republic of Mongolia, President Heng Samrin said: "Over the past 70 years, the heroic people of Mongolia have obtained great achievements in their national construction. With its economic reform policy, the Mongolian people have developed the country's economy and social affairs to a new height."

Prime Minister Hun Sen, in a message to Dashiyn Byambasuren, prime minister of the People's Republic of Mongolia, said: "The government and people of the State of Cambodia appreciate the socioeconomic reform adopted by the Mongolian Government for the development and prosperity of Mongolia."

The messages wished the Mongolian leaders the best of health and successes in their responsible tasks.

On the same occasion, Foreign Minister Hor Namhong has greeted his Mongolian counterpart, Tserenpiliyn Gombosuren.

Former Royal Palace Closed for 'Restoration'

BK1207040091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 10 Jul 91

[Text] The Information and Culture Ministry would like to inform all (?establishments), [words indistinct], and various departments that as of the day of this announcement, all requests for permission to visit the former royal palace museum and the Silver Monastery [inside the royal palace compound] will be suspended because the Information and Culture Ministry needs to carry out the restoration of various (?buildings), [words indistinct] in the former royal palace to a better shape.

As for the the National Museum and the Tuol Sleng genocide museum, they continue to receive visitors.

PRC's Li Peng Receives SNC Members 17 Jul

BK1907013091 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 18 Jul 91

[Text] On 17 July, Chinese Premier Li Peng received Samdech Norodom Sihanouk and members of the Supreme National Council [SNC] who were attending the SNC meeting in Beijing.

On this occasion, Li Peng said China is happy to see that new hope has emerged in the settlement of the Cambodian Problem. The Chinese Government will continue to support national reconciliation in Cambodia. Li Peng congratulated all Cambodian parties on the success of the recently concluded SNC meeting and the election of Samdech Norodom Sihanouk as SNC chairman. He said we hope that all parties would let bygones be bygones and strive to work toward building a new Cambodia.

VOK Reports Sihanouk's Presidential Role

BK1907062091 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 19 Jul 91

[Text] Samdech Norodom Sihanouk, chairman of the Cambodian Supreme National Council [SNC], said all

Cambodian parties in the SNC have told him they agreed that the future Cambodia will have a political system modeled on France's Fifth Republic and that all parties have agreed to offer the samdech as the first president without the need for election.

Samdech Norodom Sihanouk said this in an interview with a VOA correspondent broadcast in Cambodian. The samdech said all the Cambodian parties told him recently that they have agreed that Cambodia will have a regime modeled on France's Fifth Republic. He said they parties have agreed to ensure Cambodia's national reconciliation, stability, peace, and national honor, and to restore Cambodia's glory, and also that he be above all Cambodian political parties with the first presidency offered to him automatically. He said he wants the Cambodian people to have complete rights like people in France and in the United States. He said he does not want to play politics anymore and only want to rebuild the nation.

Earlier, at a meeting in Beijing, the meeting unanimously elected Samdech Norodom Sihanouk as SNC chairman to lead the SNC delegation towards definitive peace in Cambodia.

VODK Calls For UN Control, Reconciliation

BK1907024791 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 18 Jul 91

[Station commentary: "The Cambodian People Want Peace and Independence Without Vietnam's Aggression, Control, and Occupation"]

[Text] To this day, for nearly 13 years, Vietnam has committed aggression against and occupied Cambodia. During this period, Vietnam has brought to the Cambodian nation and people immense destruction, massacre, family separation, and all kinds of suffering and hardship. For nearly 13 years, not a single family has been spared from the suffering caused by the Hanoi Vietnamese's war of aggression and race extermination.

The Cambodian people, along with the national resistance forces, have struggled and fought for the past nearly 13 years to get peace, security, and independence for Cambodia without Vietnam's control and occupation, oppression, repression, and massacre the way it is now. The struggle is also for the right of the Cambodian people to live and earn a living on their land until they get their right to determine their destiny themselves. The Cambodian people want the entire nation reconciled without any discrimination and a national reconciliation of Cambodia as a single nation in order to cooperate in the struggle to chase out the Vietnamese aggressors and race exterminators to defend and safeguard the nation, territory, and Cambodian race.

Now there is the Supreme National Council [SNC] with Samdech Norodom Sihanouk as chairman with the right to convene future meetings. This SNC is now working as Cambodia's representative and recognized by the United Nations and various international organizations. The Cambodian people are delighted and welcome the start of the SNC led by Samdech Norodom Sihanouk. In particular, the Cambodian people are happy because the SNC has agreed on a cease-fire and to stop receiving foreign weapons.

However, the Cambodian people are of the opinion that all these issues should be under genuine control of the United Nations with a force of between 500 and 700 men in the initial stage; this number would be gradually increase until it reaches 10,000. This UN force in Cambodia is to carry out a comprehensive supervision, including the cease-fire, the halt of foreign weapons, the withdrawal of all Vietnamese troops from Cambodia, the disarming of all warring Cambodian parties, and the general and free elections in Cambodia. Without this control, peace and security in Cambodia cannot be ensured because there are a lot of Vietnamese hiding in Cambodia—inside the army and administration of the Phnom Penh side, in villages, cities, and jungles.

Thus, now that the SNC is working, the Cambodian people, who ardently aspire for peace, no longer need to fight. All Cambodians should be reconciled under the banner of the SNC headed by Samdech Norodom Sihanouk without any discrimination and unite in chasing out all Vietnamese from Cambodia to build our Cambodian nation into a developed and glorious one like others.

Indonesia

Dissidents Seek Amicable Settlement to Dispute

BK1807075791 Jakakarta THE JAKARTA POST in English 10 Jul 91 p 1

[Text] Jakarta (JP)—The Petition 50 dissident group will seek to disentangle the various restrictions imposed on them through an amicable settlement (musyawarah).

In a press conference colored with an attack on a senior minister, the group made it clear here yesterday that it would seek court settlement only as a last resort.

"After a meeting with Coordinating Minister for Political Affairs and Security Sudomo and the DPR (House of Representatives)," said Slamet Bratanata, a leading member of the group after the press conference "we intend to meet with President Suharto."

The press conference was held at the residence of former Jakarta governor Marine Lt. Gen. (ret.) Ali Sadikin, another leading member of the group, following a two-hour meeting attended by some 25 people, including former police chief Hugeng Imam Santoso, lawyer Anwar Haryono, and freedom fighter S.K. Trimurti.

The group came into existence in 1980 after 50 people, including former high ranking officials and intellectuals, signed a letter sent to DPR asking for clarifications on two presidential speeches the group considered as endangering Pancasila democracy.

The group's decision yesterday was closely linked to the results of its meeting with the DPR last Thursday.

In the DPR meeting, legislators said they viewed the "Petition 50" issue (the sending of the letter to DPR) as a closed case, urged the group to settle their case amicably (musyawarah) and only resort to the court as a final attempt.

The group said yesterday that it would consider the "Petition 50" issue as a closed case only if the government lifted all the restrictions. The various restrictions imposed on the group since 1980 included a ban of travel abroad, inavailability of bank loans, inavailability of access to the media and a ban on attending meetings where the president and the vice president are also present.

"What we aim for is the implementation of chapters 27 and 28 of the 1945 Constitution," Bratanata said, "Which provides citizens equal status before the law, the right to have a dignified life and work and the freedom to assemble and to express oneself written and verbally."

The lifting of the restrictions, he said, will give the group more leeway to contribute to national devleopment.

"There are numerous issues to be addressed and we cannot end up only by writing letters on those issues to the DPR," Bratanata said referring to the group's some 200 letters sent to DPR during the last 11 years.

The group also said that by Musyawarah they meant a refusal to make an apology to the President "as long as there is no logic in that."

Minister Sudomo had asked the group to make an apology to President Suharto when he met with the group in May.

Sudomo said he considered the letter written by the group to the DPR in 1980 as an offense against the President. The letter had asked for a clarification on two presidential speeches the group considered endangering Pancasila democracy.

Sadikin had dismissed as baseless a statement made by Sudomo in his visit to Banda Aceh recently. Sudomo had said that the group was a threat to national stability.

"Haven't we all gone through a long period of stability?" he asked with his voice rising, "please, you assess this statement. Has the country been plagued with rebellions?": Ali asked while showing Editor weekly who quoted Sudomo.

Minister Sees 'No Reason' for an Aceh State

BK1807065891 Jakarta THE JAKARTA POST in English 11 Jul 91 p 3

[By Leo Jegho]

[Text] Banda Aceh (JP)—Minister of Home Affairs Rudini told the Acehnese on Tuesday that there was no reason for them to set up a separate state.

"It is only those whose efforts are doomed to failure who are trying to act against the legitimate government. Ours is a legitimate government because it is based on a general election," Rudini told some 2,000 people in a soccer stadium in Idi district in East Aceh.

Rudini was visiting two other regencies, all of which were former sites of terrorism by the Aceh rebel movement, labelled by the government as GPK [security-disturbing band].

A total of 17 alleged GPK members have received jail sentences ranging from five to 20 years since May from courts in Aceh and the neighboring province of North Sumatra.

Rudini, speaking from the stadium's tribune, assured the participants that the 1992 general election made it possible for them to elect their representatives to DPR (House of Representatives) and MPR (People's Consultative Assembly).

The 2,000 people did not applaud Rudini's speech. But they held high nearly 30 posters under the midday's sun.

Some of the posters read "Destroy GPK for the sake of national development," "We, Buket villagers, are ready to fight the GPK," and "We submit Hasan Tiro to you, ABRI, to be destroyed.

Tiro is a leading GPK figure who is living in exile abroad.

Only a few military officers were on guard outside the stadium which is surrounded by coconut forests.

Rudini said: "Aceh people were well-known for their fighting spirit against colonial rulers until Indonesia proclaimed its independence on Aug. 17, 1945."

"Therefore, I call on GPK members still in hiding to become aware that the country belongs to all of us," he said.

Rudini also visited Dewantara district in North Aceh and delivered a speech before nearly 1,000 people, most of whom were young people.

A traditional ceremony to mark Rudini's acceptance into the local tribe was held before the minister delivered his speech.

Rudini said Aceh people should never let anyone to disturb peace and security in North Aceh and other regencies in the province.

But he called on Acehnese to welcome outsiders who wanted to help them develop the region.

A group of ABRI (Armed Forces) members continue to assist people in several vilages in Dewantara to accomplish a number of development projects. The projects include the construction of roads and shrimp ponds.

Many young people have joined in the projects which are also aimed at strengthening area's people against possible threats from GPK.

Rudini called on young Acehnese to not leave the province and try to find new ways of supporting themselves.

The minister held private talks with several young participants in the meeting, telling them that they could do a lot of things for themselves and other villagers despite their poor education.

Turning to religious leaders, Rudini said that they should tell authorities about real needs of their people.

"Tell them openly if their people do not want certain projects," he said.

Rudini and his entourage traveled from Idi to Dewantara by bus and were escorted by four police officers riding a van. Idi is about 100 kilometers from Dewantara.

Yesterday, Rudini arrived in Padang Tiji district and was greeted by nearly 2,000 people, most of them were young.

People Told To Name New Presidential Candidates

BK1707144991 Jajakarta THE JAKARTA POST in English 6 Jul 91 p 1

[Text] Jakarta (JP) [JAKARTA POST] The chairman of the PPP (United Development Party), Ismail Hasan Metareum, said here yesterday that the people should not be afraid to nominate persons other than President Suharto in the next presidential election because it is the right of every citizen.

"Those who want to choose or not choose Suharto shouldn't feel afraid," said Ismail in a press conference.

He said, however, the party's executive board has not discussed its candidates. When pressed by the press to name possible candidates, he declined. "How can we announce a name if the board has not even discussed presidential candidates?" he said.

"There could be one, two or more candidates. However, if there is only one candidate don't insist on having more."

He was speaking after announcing the committe for the next general election. The PPP executive board has appointed Darrussamin as the chairman of the comittee.

Ismail said the party was open to a possible consensus with other political parties about the presidential candidates. That means we could always 'agree to disagree' about whether we will have the same candidates."

In his speech earlier Ismail said that the nation has felt the urgent need for the development of democracy as a logical consequence of the globalization trend and the people's increasing demand for democracy and justice.

"Rapid development in science, technology and industrialization demand that our life as a nation become more participative and open," he said.

Crucial

He reminded those present that the general election in 1992 is crucial toward the second 25-year development. "It would be the last election to be implemented during our transition period," he said.

According to Ismail, the first 25 years of national development has been carried out within a transitional period. "That is why there has been a strong emphasis on security, instead of the prosperity approach," he said.

"The government initiative for development has been more predominant than the people's initiative," he said. "And the implementation of the previous election left the impression that they were all only tools for the incumbent power holder."

"As a consequence [of] this approach, the existence of political parties has been progressively becoming marginal," he said.

Ismail said the people should strive to improve the national development. "Better development is sure to need a better political infrastructure," he said. "To achieve this, ail elements of the political structure, be they the institutions, the personnel or working mechanism, should also be improved."

Article on Struggle Between Suharto, Opponents

BK1807022591 Bangkok THE NATION in English 18 Jul 91 p A14

[By Howie Severino in Jakarta]

[Text] The awakening of labour is applauded as a healthy sign by many political observers. "The government must allow political channels for people to exert pressure. It is the only way to avoid conflict down the road," said Loekman Soetrisno, a sociologist at the University of Gadja Mada in Yogjakarta.

Over 20 years after political pluralism was stamped out in the aftermath of the bloody 1965 coup attempt, many intellectuals and activists are excited about greater government tolerance for public criticism.

Few seasoned activists, however, have any illusions. "The government knows the society now is like a pressure cooker. If it doesn't allow some pressure to escape, it will burst," says Indro Djajono, a human rights activist who has been jailed several times since 1978. "But it will not allow too much pressure to build up before it crushed the source of the pressure."

Government is still based on the Army, but according to Army spokesman Gen Nurhadi Purwosaputro, "there is a declining need for a dominant role. We have to follow the moods of the people."

But the ban stays on political pluralism, and only the state's official ideology, or Pancasila, can be discussed even in small groups. More than half of the members of parliament are appointed.

Some analysts have conjured up the image of China, where economic reforms unaccompanied by political deregulation eventually led to the massacre at Tiananmen.

But many Indonesians say the possibility of a Tiananmen massacre in Indonesia is far-fetched, since the massive wave of violence in 1965-66 was too traumatic for people to risk repeating. Government officials are not about to let the people forget either, frequently invoking the memory of those years to justify a repressive vigilance over the nation's stability.

Critics in Jakarta and other major cities abound, but most analysts say the fledgling opposition movement, if it can be called that, is still too disorganized to mobilize even a modest crowd. "There is hardly any networking among the sectors who want to see political change," says Smita Notosusanto, an outspoken critic and a political scientist at the University of Indonesia.

And yet, "we are entering the stage where many people are beginning to question the validity of the political system," says lawyer Abdu Hakim Garuda Nusantara, the head of Legal Aid Foundation, one of Indonesia's most influential non-governmental organizations. "Fundamental human rights are denied. The political bargaining power of the people vis-a-vis capital and government is weak. This will inevitably change, but perhaps not very soon."

In Nusantara's views, the elites who govern society have no desire to open up the political system. But whereas they governed by consensus before, it is clear now that Suharto, a former general himself, and the Army are as divided as ever over the question of succession, with Suharto having the upper hand.

"Suharto controls the big conglomerates and the intelligence apparatus, and has direct access to the massess," says Nusantara. Moreover, after his recent pilgrimage to Mecca and political concessions to Muslim groups, Suharto is counting on Islamic support during the coming elections.

The Army's dangerous assumption, says Nusantara, is that "there is nothing wrong with the system, only with the people running the system."

The Army, however, is not unaware of the need to adjust to changing times. Senior officers have been meeting with groups of academics for the past three years, discussing the future role of the Indonesian military. In particular, according to academics who have been attending the sessions, the Army has been discussing how to reduce its traditionally active role in politics, which is institutionalized by law.

"They want to reinterpret their function, in order to leave civilian government to the civilians. They feel that the government now is too complex," says Dr Ichlasul Amal, the dean of social and political sciences at the University of Gadja Mada.

But the Army is still regarded as the glue that keeps the nation together, and many officers apparently believe they can't afford the uncertainties of rapid economic change, combined with an ageing leader who doesn't want to let go.

For the first time last June, the Army spokesman was quoted in print, in a Western publication, as saying that it is time for President Suharto to retire. Although Gen Nurhadi has since disowned the statement, the Army's sentiments are no longer any secret.

The politics of consensus that has prevailed over Indonesia since the mid-1960s may be breaking up, leaving the country on the verge of another period of living dangerously.

Chinese Deputy Minister Denies Dumping Charges

BK1707142591 Jakarta THE JAKARTA POST in English 6 Jul 91 p 1

[Text] Jakarta (JP): Visiting Chinese Deputy Minister of Chemical Industry Lin Yincai denied charges here yesteray that China had dumped its exports to Indonesia to win larger shares in the country's markets.

The Chinese minister said that his country was against dumping practices and would always carry out fair trade in promoting its bilateral economic cooperation.

He said that the Chinese government would not encourage such unfair trading practices and would be happy to help Indonesian official find out whether or not Chinese products were exported here at "dumping prices".

Indonesian businessmen have expressed concern over the influx of cheaper products, particularly electronic goods and steel products from China. They charged that China exported their products at dumping prices (the prices, which were set below production costs.)

Indonesian trade and industrial officials have also aired similar charges.

The six-member Chinese delegation led by the deputy minister arrived here Satuday for a one-week visit at the invitation of the Chinese committee of the Indonesian Chamber of Commerce and Industry (Kadin).

The delegation met Minister of Trade Arifin M. Siregar, Minister of Industry Hartarto and Director General of Chemical-based Industry Wardijasa during their visit.

The Chinese committee's executive director, Chris Watlean, said here yesterday that dumping charges had also been raised in the talks between the Chinese delegation and Indonesian officials, focussing primarily on promoting bilateral cooperation in the chemical industry.

Chris said that Minister Arifin appealed to China not to carry out unfair practices in promoting the two-way trade between the two countries.

He said that Minister Hartarto also had made a similar appeal to the delegation, saying that Indonesian products were, in fact, very competitive. "But unfair trading practices would harm local products, he was quoted by Chris as saying.

Yincai told reporters yesterday that the Chinese government intended to promote cooperation in the field of the chemical industry, particularly in the production of fertilizer and other chemical products. He said that his country, which had at least 6,000 chemical plants, was now able to manufacture around 45,000 kinds of products.

The minister said that China, the world's third largest producer of fertilizer with an annual output of around 19 million tons, seeked also the possibility in the joint production of such product in Indonesia.

He said, that his country which was, in fact, a major fertilizer producer, and still imported such products to meet its local demand.

Yincai said that the talks with Indonesian officials had not yet resulted in concerete agreements.

Trade Official Meets SRV Business Delegation

BK1907091191 Jakarta ANTARA in English 0904 GMT 19 Jul 91

[Text] Jakarta, Jul 19 (OANA-ANTARA) - Several Vietnamese businessmen met with the head of the Indonesian National Agency for Export Development (NAFED) here on Thursday to seek improved trade relations with the country.

Nguyen Thi Phuong, vice general manager of the Vietnamese Export-Import Company, said his country was willing to buy from Indonesia products such as textiles, garments, fertilizers, shoes, and electronic goods and in return wished to offer products like rice, nuts, and silk raw materials.

He said his visit to Indonesia would be used to improve relations with Indonesian businessmen and exporters.

The head of BPEN [National Agency for Export Development], Rudy Lengkong, in response to Vietnam's requests for increased imports of Vietnamese products by Indonesia, said that Indonesia would also like to widen its economic and trade relations with Vietnam.

He said trade relations between Indonesia and Vietnam could still be increased.

Lengkong said, however, improvement of trade relations between Indonesia and Vietnam could not be done within a short time but was a long-term program.

He asked the Vietnamese businessmen to conduct direct talks with their Indonesian counterparts on potential possibilities for increasing the volume of trade between the two parties.

Trade between the two countries in the last several years showed a surplus for Indonesia.

In 1989 Indonesia's exports to Vietnam totalled U.S. $33.6 million in value, while imports from that country were recorded at U.S. $21.5 million.

In 1990, however, Indonesia recorded a deficit with its imports totalling U.S. $42.8 million and its exports only U.S. $27.3 million.

Indonesia's products exported to Vietnam in 1990 included cement, totalling U.S. $4.3 million; milk and milk products recorded at U.S. $1.1 million; and garment worth U.S. $318,000.

South China Sea Seminar Ends, Statement Issued

BK1807155391 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 18 Jul 91

[Text] Officials from 10 countries have agreed that violence should not be used to settle territorial disputes in the South China Sea. Malaysia, China, Taiwan, the Philippines, Vietnam, and Brunei have claimed the Sipadan and Ligitan Islands. [names as heard; Spratly and Paracel Islands] A joint statement issued at the end of the meeting says any disputes should be settled by peaceful means through dialogue and negotiations. This is one of the six points to be followed by the governments concerned. The other points are shipping cooperation, communications, scientific surveys, and cooperation in combatting piracy and drug trafficking. Indonesia, Thailand, Laos, and Singapore also attended the four-day meeting.

'Big Countries' Urged To Help End Dispute

BK1807064391 Jakarta ANTARA in English 0614 GMT 18 Jul 91

[Text] Bandung, West Java, July 18 (OANA-ANTARA)—Big countries such as the United States, the Soviet Union, and Japan can play roles in the settlement of the dispute over small islands located in the South China Sea, an observer on international affairs said here Wednesday.

Prof. Dr. Juwono Sudarsono told reporters during a workshop on managing potential conflicts in the South China Sea started on Monday that as permanent members of the U.N. Security Council, the United States and the Soviet Union should be involved in further meetings on the question.

Several ASEAN member countries namely Brunei Darrussalam, Malaysia, the Philippines, China, Vietnam, and Taiwan claim the disputed South China Sea islands. He said that Japan should also be involved as it has its interests in sea lanes through the territory.

According to Sudarsono, Japan which has long made use of the resources of the South China Sea sould be more actively involved in cooperative activities in the fields of environment, the development of natural resources, shipping, and marine research in the area.

He also urged the Association of South East Asian Nations along with their dialogue partners in Asia to hold annual meetings on the issue as a whole. The workshop on the South China Sea is expected to conclude on Thursday.

Official on Cooperation in South China Sea

BK1707103591 Jakarta ANTARA in English 0953 GMT 17 Jul 91

[Text] Bandung (W.Java), Jul 17 (OANA-ANTARA)—Developments going on among advanced states have opened opportunities for South China Sea countries to establish cooperation, Hasim Jalal who chaired a workshop session on the management of potential conflicts in the South China Sea here Tuesday night said.

The four-day workshop which was opened Monday, discussed issues on the environment, ecology, scientific marine research, politics, and security.

In the political and security fields, participants discussed the role of big states, such as Japan, the United States and the Soviet Union, in the South China Sea, Jalal said.

He said that the workshop participants also discussed the interests of China, Indo-Chinese nations, and ASEAN in the South China Sea which would give a good prospect for the development of cooperation.

They are prepared to overcome any conflict or difference of opinion through dialogues, he added.

Delegates to the workshop said that dialogues held now is one of the best ways to solve the conflict, and some even suggested that such a dialogue be maintained.

They also suggested that countries involved should restrain in holding a dialogue and in establishing cooperation in order to narrow controversies, he said.

Hasim Jalal said that in the environmental field, they are prepared to cooperate in the various sectors such as the implementation of an emergency planning on the prevention of enviromental destruction.

In the field of marine scientific research, the participants also proposed that the natural phenomenon which has effects on the sea, such as geology, hydrology, and oceanology should be jointly studied.

The workshop also discussed cooperation in the sea pollution monitoring and the possibility of developing a preserved area and marine park in the South China Sea, Jalal added.

Philippines

Reaction to U.S. Bases Draft Treaty Continues

Terms Face Senatorial Opposition

HK1907054291 Manila BUSINESS WORLD in English 19 Jul 91 pp 1, 6

[By Reporter Cris V. Paraso]

[Text] The recently concluded terms of the Philippine-American Cooperation Talks involving the extended stay of Subic Naval Base will have a 50-50 chance of being approved by the Senate.

This was gleaned from initial statements of senators who commented on the new compensation and duration package. Some have outrightly rejected the proposed treaty while others are keeping an open mind.

A possible change in views and positions was indicated last Wednesday by Senate President Jovito R. Salonga. He said he does not discount the possibility that many of those who voted against any agreement prior to Mt. Pinatubo's eruptions may reconsider their position. He did not state whether or not the change would be in support of the new agreement.

Nine solons are so far being identified as those belonging to the anti-bases bloc but who have yet to categorically state their decisions.

These are Sens. Salonga, Majority Leader Teofisto T. Guingona, Jr., Rene A. V. Saguisag, Wigberto E. Tanada, Minority Leader Juan Ponce Enrile, Agapito A. Aquino, President Pro Tempore Sotero H. Laurel, Joseph E. Estrada and Orlando S. Mercado.

They are among the 11 senators who were against the bases' stay in a straw vote conducted prior to the Pinatubo eruptions.

Under the Constitution, the Senate nees 16 votes to ratify a new bases treaty which nine votes are needed to reject the same. With only 23 senators, eight negative votes are enough to reject the proposed bases agreement.

Sen. Salonga earlier said the new agreement will have rough sailing in the Senate due to the extremely low compensation package and the longer duration. Most senators wanted seven years with no extension.

Sen. Mercado said the duration was against his five-year terminal phaseout proposal, while Sen. Aquino questioned the open-ended withdrawal period after the 10-year extended stay for Subic.

Sen. Saguisag, after the first briefing by Foreign Secretary Raul S. Manglapus, immediately rejected the new proposal, while Sen. Tanada said the terms were further downgraded.

Senator Ernesto F. Herrera said he "has yet to convince himself to ratify an agreement which was grossly mishandled by the Philippine panel" and which did not consider including in the negotiations the plight of displaced Filipino workers from Clark Air Base.

Some senators kept an open mind as to the final recommendation which will be submitted by the executive department to the Upper Chamber.

Senator John H. Osmena said he had pushed for a higher compensation in exchange for a longer duration, noting that U.S. Special Negotiator Richard Armitage said the U.S. was willing to give in to such an arrangement. He said he will still review the whole package.

Senator Mamintal A. J. Tamano said he will support the Administration's decision endorsing the new agreement but said that a definite withdrawal period should be provided after the 10-year stay of Subic.

If the Senate rejects the new treaty, Senator Neptali A. Gonzales said the Administration to be elected next year may opt to renegotiate a new agreement and ratify the same.

13 Senators May Oppose Treaty

HK1907034291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 18 Jul 91

[Text] Thirteen senators are expected to oppose the newly drawn-up bases treaty. This was hinted by Senate President Jovita Salonga after he said there that strong opposition from senators was possible. He said he foresaw a long debate, but he did not confirm if the Senate would approve or block the new bases treaty.

Meanwhile Senator Ernesto Maceda said that not one of the legislators were happy over the negotiations. He said he opposes the amount set by Washington as compensation as well as the period of remaining at Subic Naval Base.

Only eight senators are needed to oppose the draft treaty in order to block it.

Osmena Wants 'To Junk' Treaty

HK1907133391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Jul 91

[By Restie de Quiros]

[Text] Pro-bases Senator John Osmena will call on his colleagues in the Senate to junk the draft bases treaty and throw it back to the Philippine panel. In a news conference, Osmena stressed that the 10-year extension and the annual rent of $203 million for the Subic Naval Base is too cheap. Osmena disclosed that in the pro-bases senators' meeting with U.S. special negotiator Richard Armitage last 17 July which included Senators Maceda, Shahani, Paterno, Tamano, and Gonzales, Armitage said the United States is prepared to give a high compensation package. However, the Philippine panel headed by Foreign Affairs Secretary Raul Manglapus did not press for a higher rent for the continuous operation of Subic, according to Armitage [sentence as heard]. In this connection, Senator Osmena said he will urge the Philippine panel to reopen the negotiations for a higher compensation for a longer extension period for the military bases:

[Begin Osmena recording in English] What I am saying is that I will suggest to my colleagues where we'll finally meet. When finally we get a draft, my suggestion to them is that we return the draft to the panel and tell them to renegotiate for higher compensation. I think the Americans will say that they want more duration, then I would say why not give it to them. If they want 15 years, that's all right with me. [end recording]

Agricultural Trade Not Affected

HK1907054391 Manila THE CHRONICLE in English 19 Jul 91 p 9

[By Elizabeth Perez]

[Text] Agriculture Secretary Sene Bacani yesterday said the new bases agreement would have no adverse effects on the country's agricultural trade with the United States.

"Our agreement with the U.S. on major exports such as sugar and carrageenan are not tied to the bases in any way," Bacani explained.

He added that existing agricultural loans and food aid extended to the country by the U.S. government will continue notwithstanding the new bases accord.

The U.S. government has been extending millions of dollars worth of food and aid to the Philippines under the food facility assistance U.S. Public Law 480.

Bacani expressed confidence that potential markets for Philippine agricultural exports such as copra, carrageenan, sugar and tobacco would not be lost even if the U.S. had decided to give up its military installations here.

In the same way, Bacani said that American investments in local industries would not be arbitrarily withdrawn because of the new bases accord.

"Private sector ang talagang involved diyan, eh [Private sector is really the "one involved there," he explained. "And if they see good prospects for investments here, then they'll go ahead and invest."

Appropriations for food aid in the bases compensation package were placed by the Philippine panel at $27 million during pre-Mt. Pinatubo negotiations. This,

however, was left out in the new agreement, and both the Philippine and the U.S. panels have decided to form a review board which will determine yearly levels for food aid, development assistance and additional economic support funds.

Manglapus Urges Support of Pact

HK1907105491 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Jul 91

[Text] Foreign Affairs Secretary Raul Manglapus today called on his counterparts in Southeast Asia to support the new military bases agreement between the Philippines and the United States. Manglapus issued this at the opening of the annual meeting of foreign ministers of the Association of Southeast Asian Nations. Manglapus admitted that many are against the new military bases agreement but emphasized the importance of regionalism as needed to maintain statehood.

Editorial Criticizes Accord

HK1907052391 Manila PHILIPPINES NEWSDAY in English 19 Jul 91 p 10

[Editorial: "A Shabby Deal"]

[Text] The recently concluded bases accord with the United States is a shameful document worthy of contempt, as are the weak leaders who say it is "the best we can get for the country."

After months of wrangling and posturing it boiled down to this sequence of events: Manila demands $825 million yearly for a seven-year agreement. Washington wants to pay only $360 million for a 10-year pact. A volcano erupts near the U.S. facilities, and the two parties reach middle ground: the U.S. will pay a much lower $203 million for an extended stay of 10 years.

No one, of course, can fault the Philippine negotiators for failing to predict Mt. Pinatubo's eruption, and the effect this would have on the negotiations. On the other hand, the government stands guilty of a sham display of sovereign pride and a failure to interpret world developments that ended in such a shabby deal for the country.

The government, too, played right into the Americans' hands by accepting the overstated significance of Mt. Pinatubo's eruption on the fate of the bases.

Several points stand out:

—The Americans have often stated that the negotiations do not represent a "real estate deal." The accord is not a matter of acreage, it is matter of the continued presence of American troops on Philippine soil. The abandonment of Clark Air Base due to its damage from volcanic ash, therefore, should not have a significant impact on the treaty's bottom line.

—If the government really wanted "the best deal" for the Philippines, they should have seen the clear trend toward a global reduction in U.S. military spending and negotiated accordingly. This they did not do, with the Secretary of Foreign Affairs stating publicly many times that the Philippines would accept no less than $825 million a year, and that the Americans could take it or leave it.

Now we are told that $203 million is the best we can do under the cirumstances. Gone is the brave talk of telling the Americans to leave. Oh, how the mighty have fallen.

Clark's Loss Not To Affect Antirebel Operation

HK1907060291 Manila BUSINESS WORLD in English 19 Jul 91 p 10

[Text] Outgoing Defense Secretary Fidel V. Ramos said yesterday the loss of Clark Air Base will not affect counterinsurgency operations but will have more bearing on the security of the Asia-Pacific region.

In a press conference yesterday, Mr. Ramos said the American facilities in the country have never been used in the fight against communist insurgency in the country.

But, he said, without Clark, there will be no strategic land-based U.S. air force in the Asia-Pacific region.

He said that even before Mt. Pinatubo erupted, he told members of Congress that with the development of more sophisticated weapons the phaseout of Clark is imminent.

He said, "I did mention that the continued use of Clark as a base for the launching of offensive weapons has a limited usefulness in the future."

He added that land-based weapon systems will be phased out in the future, giving way to "underwater submarine as a launching pad for a weapon system, the long range ballistic missile which have long been operational as well as the airborn launching pad that reduces the usefulness of intermediate air bases such as Clark." [as published]

Transfer Plan for Military Camps Said Ready

HK1907125091 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Jul 91

[Text] Joint Legislative-Executive Bases Council chairman Jose Abueva announced that the 10-year alternative plan for all the military camps in the country is now ready. Abueva said the program will require a fund of over 185 million pesos to facilitate the transfer of all military camps outside Metro Manila.

[Begin Abueva recording in English] We have made a model but we still have to omit what you call the detailed engineering that will be the basis for the construction and the costing will be more or less (?ascertained) already. Because what we have right now of course is a mere estimate of this very preliminary engineering study, we need about 30 million pesos to transfer part of this camps outside of Metro Manila. Congress will determine how the money will be spent, actually. [end recording]

Manila International Airport Resumes Operations

HK1807130691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Jul 91

[Announcement from Philippine Airlines through Jonathan Gesmundo]

[Excerpt] Philippine Airlines [PAL] will now resume its flights outside Manila which were temporarily suspended, after the authorities at the Ninoy Aquino International Airport declared that the airport will be opened for normal operations effective 1900 tonight. We also want to inform you that PAL will resume its normal international and domestic operations effective tomorrow, 19 July. [passage omitted]

Drought Damage in Cagayan Causes Severe Losses

HK1907060991 Manila MANILA BULLETIN in English 19 Jul 91 pp 1, 22

[Text] Tuguegarao, Cagayan—While Central Luzon suffers from ash-falls as a result of the Mt. Pinatubo eruption, the fertile plains of Cagayan are drying up from drought and causing severe losses in crops that have affected the farmers' livelihood.

Cagayan Gov. Melvin Vargas said that more than P86 million worth of corn, not to mention other crops, has been lost due to lack of rain as the farmers could not cultivate their farms.

Vargas appealed to President Aquino and Agriculture Secretary Senen Bacani to extend financial assistance amounting to P25 million to cushion the losses of the farmers if the drought persisted.

He said that there has been no rain in the past five months as he urged the President to declare Cagayan a calamity area.

He expressed fears of starvation because the farmers have failed to produce food as a result of the long dry spell.

Cagayan province is one of the breadbaskets of Northern Luzon and even supplies rice and corn to Metro Manila and neighboring provinces.

Vargas also assailed some leaders in the Cagayan Valley for meddling in the various infrastructure projects to be channeled to the provinces in the region.

As the center of Region 2 constituting Cagayan, Isabela, Nueva Vizcaya, Aurora and the Mountain Provinces, Vargas said that Cagayan needs to upgrade existing facilities and other infrastructure projects to benefit the entire region.

Ramos Defends Aquino's Appointment of De Villa

HK1907131791 Quezon City MALAYA in English 19 Jul 91 p 3

[By Noel Bartolome and Cris Larano]

[Text] Outgoing Defense Secretary Fidel Ramos yesterday defended the appointment of retired Gen. Renato de Villa, former AFP [Armed Forces of the Philippines] chief of staff, as defense secretary as he said De Villa is an independent-minded man who can maintain stability in the country.

"De Villa is a good friend of mine but he is not a clone of Ramos," he said.

He said De Villa is President Aquino's best choice, "considering his proven record of leadership, crisis management, and devotion to duty exhibited in the past."

But Sen. Ernesto Maceda (LP) [Liberal Party] called De Villa's appointment "an unfortunate choice" and said it will "unnecessarily drag the military establishment in the partisan atmosphere of 1992."

Maceda added: "It (appointment) is not only against the spirit of the Constitution, it will once again exacerbate the divisions in the Armed Forces of the Philippines. It offers no immediate hope that the problems of procurement conversion, and misuse of intelligence funds will be solved.

There is less hope of reform."

Ramos held his last press conference as defense chief at the defense department in Camp Aguinaldo in a jovial mood, cracking jokes as he bid farewell to the job he held for the past four years.

He said the 56-year-old De Villa was chosen by President Aquino on the belief he could maintain stability, security, and progress in the country.

Ramos also said at present, the country's stability is not threatened by the military as he noted the defense and military establishments have successfully reduced the ultra-rightist threat.

Maceda, in a statement, said De Villa's appointment will also set back the government's counterinsurgency campaign and "does not do anything to lift the morale of the soldiers in the field who, in the three years of De Villa as chief of staff did not get satisfactory attention and support."

"The appointment continues the confrontational attitude of Malacanang toward Congress. It certainly will not make it easier for the recently agreed bases agreement to get approval in the Senate."

Congress Asked To Pass Tax, Revenue Measures

HK1807002691 Manila THE CHRONICLE in English 17 Jul 91 pp 1, 6

[By Johanna Son]

[Text] The government immediately needs P [Philippine peso] 23 billion to finance three urgent expenditures this year and is asking Congress to pass tax and revenue measures to meet this cash requirement.

Finance Secretary Jesus Estanislao relayed this position to senators even as he gave assurances that the finance department would keep a close tab on spending to keep the deficit under control.

However, he said the government needed to find cash to support three expenditures:

—P10 billion to replace the foregone income with the four-percentage-point reduction in the 9% import levy.
—P5 billion in initial reconstruction funds needed to be released immediately for Mt. Pinatubo-affected areas.
—P7 billion to beef up the financial position of the National Power Corp.

"For the entire year, given all these (fiscal) pressures, I am looking at a total requirement, minimum of P22-23 billion," Estanislao said.

The P5-billion Pinatubo fund is merely the first part of some P15 billion the government would eventually need to spend in reconstruction and rehabilitation, he added.

Given the difficulty of raising revenues, Estanislao reiterated his pitch for Congress to pass three "tax reform" measures such as revisions in taxes on business and professional income; expansion of the value-added tax; and restoration of a 1990 cut in specific taxes on oil products.

While the first two had been endorsed by the House committee on ways and means, Estanislao conceded that the specific-tax proposal had smaller chance of passage.

"I don't know how realistic it is for us to keep pushing for this, but maybe if you (Congress) don't pass it this year, maybe next year," he told a joint hearing of the finance subcommittee and committee on ways and means.

He also said the Executive department would welcome almost any revenue-generating measure at this point, including the Customs amnesty bill pending in the Senate and the increase in forestry charges due to be passed next week.

But Sen. Ernesto Maceda said the P10-billion loss Estanislao attributed to the import levy reduction was much too high. He noted that collections from the levy had not met targets anyway.

Estanislao added that "whether the money is there or not, I have to look for it" for the three urgent expenditures.

Maceda said senators understood the need for the government to increase expenditures in the second half of the year, but also warned the finance department against excessive pre-election spending that could bloat the deficit further.

Inflation Rate Reportedly Reaches 18.4 Percent

HK1907021091 Manila PHILIPPINES NEWSDAY in English 18 Jul 91 p 8

[Text] The country posted an 18.4 percent average inflation rate for the first half of 1991, or 5.4 percentage points higher than the year ago figure.

In a report to President Aquino and the members of the National Economic and Development Authority [NEDA] board, Socio-economic Planning Secretary Cayetano W. Paderanga Jr said this time, the escalation in the overall price level originated in areas outside Metro Manila, as the inflation rate in the countryside increased to 19.0 percent in June from 18.7 percent in May.

In Metro Manila, the rate decreased by 0.4 percentage points, Paderanga said.

Paderanga, who is concurrently NEDA director general, also said the acceleration can be traced to the higher annual increments in the clothing, housing and repairs, services and miscellaneous groups.

He said Central Luzon posted the highest monthly inflation rate of 2.2 percent, followed closely by the Ilocos region with 2.0 percent and Western Visayas with 1.7 percent.

Union Leader Rejects Aquino Oil Price Rollback

HK1807124191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Jul 91

[On-the-spot interview with Comrade Crispin Beltran, leader of 1 May Movement, by field reporter Restie de Quiros of DZRH Unit No. 8; live]

[Excerpt] [De Quiros] We are now here to interview Comrade Bel and to know his reaction to the announcement of President Aquino a while ago regarding a three-peso reduction on premium gasoline prices. Comrade Bel, what is your reaction to this?

[Beltran] The three-peso reduction they are talking about is probably just a reduction in the selling price of premium and regular gasoline. Now the important thing to consider is the so-called one peso weighted average reduction on the present price. This means that only about one half of the 1.92 pesos that we are actually asking for was granted. And if the 9 percent import levy will be wiped out, which is another factor influencing the rise in oil prices, this means that 17 centavos will be effectively added to our requested 1.92 pesos and

become 2.09 pesos weighted average of raw crude. Now, if we consider that the December 1990 increase was at an average of 2.03 pesos only, which made the price of regular gasoline from 8.87 pesos to 15.95 pesos; and from 8.50 pesos to 15 pesos for premium gasoline respectively, this means that the price of oil will be reduced further than the 5 December 1990 level. Which is why we can never accept this three pesos reduction. [passage omitted]

Labor, Cause-Oriented Groups Continue Protest

HK1907133791 Quezon City MALAYA in English 19 Jul 91 pp 1, 2

[By Salom Mapagu]

[Text] Militant labor and cause-oriented groups will continue protest actions to press for an oil price rollback in the face of President Aquino's support for a P[Philippine peso]3 reduction in gasoline prices, organizers said yesterday.

They described as "alms" the planned reductions which are expected to take effect in mid-August when the Oil Price Stabilization Fund deficit is wiped out.

Crispin Beltran, KMU [1 May Movement] chairman, calling the proposed reduction "too little and too late," said, "Magbibigay rin pala sila ay kailangan pang magwelga ang mga tao!" [Why did they have to wait for us to go on strike since they would give in just the same!]

He said they will continue to work for an average cut of P1.92 per liter reduction in oil prices, which means about P5 per liter cut in gasoline prices.

Government and labor groups yesterday reported partial paralysis in the operation of many factories in Metro Manila.

The Department of Labor and Employment [DOLE] said 65 factories in Metro Manila were hit by work stoppages and slow-downs when thousands of its workers held hourly protest actions and pickets.

Among the largest factories hit were Rubberworld, San Miguel Brewery in Valenzuela, Fortune Tob SMC [San Miguel Corporation] Glass Plant, and Philacor. [Philippine Apliance Corporation]

In the 65 factories, DOLE estimated 5,000 to 8,000 workers walked out of their jobs.

Kilusang Mayo Uno [KMU] reported a total of 213 local unions participated in work stoppages involving about 80,000 workers.

The KMU said Cebu province was 50 percent paralyzed, with Lahug, Calamban, Mabolo, Mandaue about 90 percent paralyzed. University of the Philippines Cebu, Southwestern University, University of San Carlos and Don Bosco University suspended classes.

Other KMU reports:

Iloilo: Six towns hit by transport and industrial strikes.

Metro Manila: Partial paralyzation at Sinclair Paints, Wyett Suaco, Yakult, Marsman, Procter and Gamble, Mead Johnson and Holland Milk. Work stoppage at Novelty La Suerte, Solid Mills, American Wares, Standard, Philacor and Gelmart, and KDK [expansion unknown] Electric Fan Company.

Three students of the state run Polytechnic University of the Philippines in Sta. Mesa were arrested while leading a group of 150 student protesters toward Liwasang Bonifacio.

Arrested were Leslie Lapuz, 19; Anna Rafael, 19; and Carlos de los Santos, 19, all members of the Student Christian Movement.

They will be charged with illegal assembly, public disturbance, breach of peace, and obstruction of traffic, police said.

The Metro Manila Authority said as of noon 15,000 workers in 30 industrial and commercial firms in Metro Manila picketed their companies.

The Department of Transportation and Communications [DOTC] said traffic flow in major routes in Metro Manila was normal. Some 1,200 buses, jeepneys, and trucks are on standby.

The DILG [Department of Interior and Local Government] in Region 6 said only few members of the Iloilo City Alliance of Drivers Associations went on strike.

The DOTC said 250 buses from the Metro Manila Transit Corp., 500 jeepneys from various cooperatives, 12 trucks from the Logistics Command, and several buses from the Provincial Bus Operators of the Philippines were fielded for stranded commuters.

The People's Movement Against Poverty in Davao City said transport and business in Mindanao will be crippled as multisectoral groups are ready to stage mass protest actions on Monday.

In a related development, a jeepney strike staged by some 2,000 drivers crippled 90 percent of the city's public transport forceing public and private schools to suspend classes in all levels.

The Central Visayas Land Transportation office said 90 percent of the jeepney drivers belonging to the militant Nagkahiusang Drayber sa Sugbo [United Drivers of Cebu] stayed out of the streets.

Stranded commuters were ferried by a fleet of 60 Kaoshung buses deployed by the city and provincial governments.

As of noon Wednesday, only the north sector of the city's transport was paralyzed. Among the areas severely affected were the Lahug and Talamban routes.

But in the afternoon, the entire city was affected by the jeepney strike prompting local officials to suspend offices, both public and private.

The strike and the rally staged by cause-oriented groups were mainly peaceful.

Protesters, Church Members Hold Rally in Manila

HK1807130291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Jul 91

[On-the-spot reports from Manila streets by mobile unit reporters Restie de Quiros, Rey Sibayan, and Benjie de Galicia; moderated by anchorman Joe Taruc in studio—live]

[Text] [Taruc] Let's hear the report from DZRH Unit 8, Restie de Quiros please come in:

[De Quiros] As of now we are situated at the foot of Mendiola. Members of the 1 May Movement and other sectors of our society have already arrived here. They are asking for a reduction in the price of petroleum products. They are gathered here at the foot of Mendiola corner Recto and Legarda [street]. Let us talk with Colonel Reyes of the Western Police District. Sir, we are live on DZRH, may we know for how long can the protesters stay here?

[Reyes] We have reached an agreement that they can stay for as long as there is daylight. Maybe around 1800.

[De Quiros] Sir, I heard that these groups might stay longer. Maybe they would stay past 1900 in the evening. Will you still allow them to stay?

[Reyes] As soon as it gets dark we will request them to leave and ask them to take a rest.

[De Quiros] What steps have you taken to ensure that no untoward incident could happen here?

[Reyes] First, we are observing maximum tolerance. We are also requesting them to police their own ranks and not to break the law. In that way we can agree with each other. Also, they don't have a rally permit. They should disperse peacefully before it gets dark.

[Taruc] Restie, how extensive and how many participants joined this demonstration? What are the places they have occupied?

[De Quiros] As of now, they are occupying Legarda and the stretch of Recto.

[Taruc] Is the intersection of Recto, Legarda, and toward the bridge still passable?

[De Quiros] It is no longer passable to vehicles because these are occupied by demonstrators at this time.

[Taruc] In a related report, here is Rey Sibayan of DZRH Unit 11. Rey, please come in.

[Sibayan] Groups of workers, students, and teachers are converging here at the corner of Legarda and Recto and also at the foot of Mendiola. From the intersection of Legarda and Recto up to San Sebastian College you can see different streamers waved or held by groups from various sectors of our society. The streamers are from the League of Filipino Students, Alliance of Concerned Teachers, National League of Students of the Philippines, GABRIELA [General Assembly Binding Women for Reforms, Integrity, Equality, Leadership and Action], and Bayan [New Nationalist Alliance]. As of now the whole stretch of Recto toward Cubao and Divisoria are not passable to vehicles.

[Taruc] Meanwhile, here is a report from DZRH Unit 20 in relation to the arrival of more than a thousand members of the Church of Christ in Metro Manila for the planned rally on Monday. Benjie de Galicia please come in.

[De Galicia] The 50,000 Church of Christ members did not only come from the province of Quezon but also from Batangas. Mayor Olfato of Tanawan, Batangas said that all members of the Church of Christ and labor groups in his town are ready for the planned rally. Olfato added he was able to talk to all owners of jeepneys and minibuses to ferry the protesters who are joining the nationwide strike on Monday.

[Begin recording] [Olfato] Here in Tanawan, all of the available vehicles were already hired by the people who will be joining the rally. The leaders of different municipalities are ready to support and attend the rally in Metro Manila in unison with other protesters and help ask the government to reduce the price of oil. [end recording]

RAM Military Faction Voices Support for Strike

HK1807150091 Manila DIYARYO FILIPINO in Tagalog 18 Jul 91 pp 1, 2

[By Jess Malabanan & Rowena Salvacion]

[Text] Rebel soldiers have called on the people to support the national strike so as to force the government to roll back oil prices. The Reform the Armed Forces Movement [RAM] has also assailed President Aquino's opposition to the rollback. The RAM has threatened to topple the government if it continues in its stand not to grant the five-peso rollback.

News agencies have reported that former Colonel Gregorio Honasan claims families and relatives of soldiers and police will join the strike scheduled for July 22. He said,

"Let us show up and make the government open its heart for the sake of us all and of our future, for human rights and the prosperity of the nation. Do not be afraid of uniformed soldiers and police whom you will see. They look on the RAM as their friends and as protectors of the people."

Yesterday Senator John Osmena asked the Supreme Court to look into this matter and to stop the strike. He also asked the court to declare the 5 December 1990 directive of the Energey Regulatory Board invalid, since it caused oil prices to rise 200 percent.

RAM has also accused the government of involvement in the recent bombings connected with the planned strike. RAM says this was perpetrated by government agents so as to scare off those wishing to join the demonstration.

The strike is slated to start today, to be launched by militant groups who have all been demonstrating against the government.

The Church of Christ sect has also said that their church will allow its members to join the protest action against the government over the oil price rollback. The government raised oil prices after Iraq's invasion of Kuwait. But even though oil prices went down worldwide, local oil prices did not change.

Meanwhile some militant groups said President Aquino should accede to the requests of the people who are suffering because of her economic policy. The group declared, "It may be too late to convince her to do this, now that the issue of the rollback has become a conflagration."

Meanwhile the Church of Christ has announced that its members will be wearing badges to identify themselves and to ensure that troublemakers will not infiltrate their ranks.

Yesterday the National Federation of Sugar Workers, Food and General Traders announced they will join this strike and other subsequent ones.

Manila Mayor Gemiliano Lopez has announced that all government agencies are prepared to ensure that the strike remains peaceful and free of troublemakers.

Police Capture 'Four Most Wanted' Communists

HK1907002291 Davao City PEOPLE'S DAILY FORUM in English 12 Jul 91 pp 1, 9

[By Dennis D. Denora]

[Text] Four most wanted communists, two of them operating in Metro Manila but who were sent to Davao for a mission, fell into the dragnet of the PNP [Philippine National Police] command of Davao del Norte under Lt, Col Ricardo de Leon recently while another two top CPP/NPA/NDF [Communist Party of the Philippines/New People's Army/National Democratic Front] political officers also surrendered.

Lt. Col De Leon, PNP provincial director, said held captive and under intensive interrogation inside the 459th PNP headquarters in Monkayo, Davao del Norte are Jose Navarro a.k.a. Gelly, a dreaded member of the Alex Boncayo Brigade (ABB) operating in Caloocan City, Navotas and Manila, and Alejo Bandiola a.k.a. Ricky Dagatdagatan also of Caloocan but whose ABB underground operations were in Quezon City.

Gelly is said to be holding high a post in the CPP/NPA/NDF hierarchy. He led the Magnolia team of sparrows in Caloocan, while Bandiola also led the Pure foods team operating in Quezon city. Both are prime suspects in a series of CAPCOM [Capital Regional Command] killings in Metro Manila before they were sent here in the southern fronts.

The dragnet operation against the two were personally led by Captain Saligumba, commanding officer of the 459th PNP company stationed in Monkayo.

Before falling into the hands of the law enforcer, De Leon disclosed that the two were inside marked safehouses in downtown Monkayo making plans of their clandestine communist operations centered on liquidating elements of the government forces.

Taken from their possessions were a caliber .45, a caliber .38, two bullet magazines, an ICOM [Commercial Brand Name] radio set including documents of the subversive organization.

They are to be shipped to Manila to answer pending multiple charges on murder and illegal possession of firearms.

Recently also, two elusive NPA commanders operating in Maco and nearby towns including Tagum also fell into the hands of the PNP.

The two were identified as Armolito Raagasy Pinggulano and Redante Pasco y Magdasal, both are dyed-in-the-wool communists who were responsible in a series of offensives versus the government troops in Davao del Norte. They are presently undergoing tactical investigations inside the provincial headquarters, Lt Bong Lucterio also said.

Meanwhile two political officers of the CPP/NPA/NDF in Mindanao decided to abandon their communist ideology by peacefully surrendering to the authorities lately.

De Leon identified the two as Rogelio Pagbilao a.k.a. Adan, party secretary of Front 53, North Cotabato, and Mario Galvez a.k.a. Dondon, vice commander of the popular MINDA [expansion unknown] force codenamed "TAGARAS", a mobile NPA core armed unit with operations within the whole of the island of Mindanao.

Adan surrendered in Tagum while Dondon in Compostela. Both said they were in Davao del Norte to reinforce and reorganize the collapsing political strength of the NPAs.

De Leon also noted that what is significant in the surrender of these two top political officers of the NPA is that the PNP command succeeded in weakening the political fronts of the enemy. Without a political base to lean on, the armed units of the red fronts are rendered inutile, De Leon also said.

Both Adan and Donon signified intentions to cooperate with government forces after their surrender papers were facilitated, it was also learned.

No Evacuation for 'Displaced' Communist Rebels

HK1807140891 Davao City THE MINDANAO FORUM STANDARD in English 14-15 Jul 91 pp 1, 14

[By PIASDS (expansion unknown)]

[Text] Davao City—Phil. National Police (PNP) director for Region XI Brig. Gen. Manuel Salimbangon yesterday said that the displaced communist rebels of Region II who are now at the evacuation centers in Metro Manila forced by the eruption of Mt. Pinatubo in Zambales will not be evacuated here in Davao city.

This statement of Gen. Salimbangon, who is also the chairman of the Region XI Disaster Coordinating Council (RDCC), came a few days after the City government gave an offer to transfer some of the evacuees here in Davao City.

Speaking in the weekly Saturday Kapihan sa [Coffeeshop Forum in] PIA [Philippine Information Agency] the PNP commander revealed that police authorities are properly informed who could be the rebels from among the refugees now at the Manila evacuation centers.

Gen. Salimbangon assured that these rebel-refugees will not be part of the evacuees that would be shipped here in case that its transfer would materialize.

The declaration of Gen. Salimbangon is believed to have doused cold water on boiling speculation that the number of communist rebels here in this Region would be substantially beefed-up once rebels from Luzon will be moved here through the evacuation.

Earlier, reports from Manila said that there are communist rebels who have moved to Manila from Zambales after Mt. Pinatubo buried New People's Army lairs with ashes around the volcano.

There were, however, no word from PNP authorities what will they do to the suspected rebel guerillas now at the evacuation centers.

"It is just our policy in the government to remove the boundaries between the communists and our democratic system during this crisis. This is a matter of human concern so if we have to feed them and give them refuge, we'll do it and we're doing it. But to bring them here to Mindanao would be different", Salimbangon said.

"I will make sure", the General continued, "that they would not even reach the ports of Region XI."

Appearing with Gen. Salimbangon at the Kapihan session which theme was "Coping with Disaster is a Community Responsibility" were:

Metrodiscom [Metropolitan District Command] chief Lt. Col. Nelson Estares, DILG-XI asst. Regional director Romeo [Department of Interior and Local Government] Jardenico, DSWD [Department of Social Welfare and Development]-XI director Rhoda Yap, DOST [Department of Science and Technology]-XI director Constancio Canete, GSIS representative Atty. Romeo Tiangco, CASF-XI [expansion unknown] chief Col. Nilo Jatico, PHIVOLCS [Philippine Institute of Volcanology and Seismology] representative Leonila Bautista, Evelyn Grace Fernandez of Philrads and Corazon Adriano of Halad Foundation.

Armed Forces Plans To Produce Own Tanks

HK1907051291 Manila MANILA BULLETIN in English 19 Jul 91 p 8

[Text] The Armed Forces of the Philippines (AFP) will soon make its own version of the British-made Simba commando tanks which will be sold to other Asian countries.

This was revealed yesterday by Maj. Gen. Arturo Enrile, Army chief, who said that the Simba tanks, a proto-type of the U.S.-made V-150 commando tanks, will be developed locally using Filipino materials in line with the AFP's self-reliance development program.

Last week, Enrile signed on behalf of the government the acquisition of 150 Simba tanks to be manufactured by GKN Sankey Limited, a British engineering firm.

Each Simba tank costs $350,000, Enrile said. The first eight Simba tanks are scheduled to be delivered by the end of this year, Enrile said.

The setting up of manufacturing plant for Simba tanks will be undertaken with the participation of the Phividec [expansion unknown].

The Simba tanks, specially designed for counter-insurgency operations in tropical areas, have been tested in combat attacks in Africa.

Thailand

Asa: ASEAN Foreign Ministers Meeting Format

BK1807120191 Bangkok Voice of Free Asia in Thai 1030 GMT 18 Jul 91

[Text] At 1400 today, Foreign Minister Asa Sarasin spoke to newsmen at the special reception room at Don Muang Airport before leaving for the ASEAN foreign ministers meeting in Kuala Lumpur. He said there would be two parts to the meeting. The first part, during 19-20 July, will be the meeting of ASEAN foreign ministers. A special feature of this year's meeting is that China and the Soviet Union have expressed interest in becoming ASEAN dialogue partners. But ASEAN countries felt it premature for the two countries to become their dialogue partners and, therefore, Malaysia invented a way out by inviting the two countries to the meeting as guests of the Malaysian government at the opening ceremony.

At the meeting, the ASEAN foreign ministers will emphasize the ASEAN summit, which will be held in Singapore in January 1992, as well as strengthen intra-ASEAN cooperation.

The second part of the meeting, between 22 and 24 July, will be between ASEAN countries and their dialogue partners, which this year consist of the United States, Japan, Australia, New Zealand, Korea, the EC, and Canada. The first phase will be a meeting between ASEAN and all dialogue partners, or the so-called six-plus-seven meeting, discussing general security, the Middle East, the G-7 meeting, regional security, etc. This will be followed by negotiations on cooperation between the six ASEAN countries with each dialogue partner, or the so-called six-plus-one meeting.

In addition, the foreign minister will meet privately with various other ministers, such as those from Canada, Australia, New Zealand, Papua New Guinea, and Japan. Moreover, as Thailand is the coordinator between ASEAN and the United States, the foreign minister will have a private meeting with the U.S. secretary of state on regional issues, the Cambodian problem, and Thai-U.S. trade problems.

Editorial Supports ASEAN Free Trade Proposal

BK1807112591 Bangkok THAI RAT in Thai 18 Jul 91 p 91

[Editorial: "An ASEAN Free Trade Zone"]

[Text] As the seven leading industrialized countries, the G-7, are holding a meeting in London to discuss a new international trade and monetary order, Thailand will be launching an offensive during a ministerial meeting in Kuala Lumpur to persuade all other ASEAN members to agree with the plan to establish an European Community-style free trade zone.

ASEAN, which groups six countries—Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Brunei—believes that the formation of the single European market next year and that of the North American Free Trade Arrangement [NAFTA], grouping the United States, Canada, and Mexico, is primarily aimed at giving priority to the member countries within these groupings.

Clearly, NAFTA has been set up for trade bargaining with the European Common Market. Dr. Mahathir Mohamed has proposed the establishment of an East Asian Economic Grouping [EAEG]. The proposal is aimed at countering trade protectionism by the European or North American countries. However, Japan and the United States disagreed with the Malaysian proposal. Even the ASEAN members seem to be hesitant toward this proposal, although they well understand that the formation of such a grouping will help protect the interests of its members.

Prime Minister Anan Panyarachun proposed the establishment of an European Community-style ASEAN free trade zone during the visit to Thailand last month of Prime Minister Goh Chok Tong of Singapore. Goods produced by the ASEAN countries could be freely sold to other countries without tax or with the lowest tax rates.

This method will be the first step toward enabling ASEAN to become a common market faster than Europe. All ASEAN members agree with Thailand's initiative. The free trade zone project has been, therefore, undertaken and will be submitted to the ASEAN ministerial meeting in Kuala Lumpur this Friday. Cement, fertilizers, and paper pulps will be the first products to be allowed to trade freely among member countries with the lowest tax rates. Such a free trade zone will strengthen the trade cooperation of the 24-year old ASEAN, which has made little progress in trade cooperation among member countries. It will also prompt Burma, Vietnam, Cambodia, and Laos, to make a quick decision to join ASEAN, as they can see more benefits from it.

Government 'Likely' To Accept EC Proposal

BK1807012591 Bangkok BANGKOK POST in English 18 Jul 91 p 26

[Text] Thailand is likely to accept the European Community's proposal to extend its bilateral textile agreement for one year, according to Foreign Trade Department Director-General Chare Chutharattanakun.

Before flying to Brussels yesterday to meet the EC's textile director for ASEAN, Mr Chare said talks would focus on the possibility of extending the Thai-EC textile agreement which was due to expire at the end of the year.

The talks would be held from July 22-24.

Mr Chare said it might be better for the two parties if the agreement was extended for one year before bringing it under the General Agreement on Tariffs and Trade (GATT) rule.

This was because it was likely the Multi-Fibre Arrangement (MFA), which was due to expire, would be extended for 17 months.

Mr Chare said the multilateral negotiations at the Geneva-based GATT had agreed to temporarily extend the MFA before liberalizing its trade under the GATT forum, and most exporting countries proposed to extend the existing agreement for 17 months.

Under the existing bilateral textile agreement between Thailand and the EC, Thailand had agreed to limit exports of some textile and garment products to levels which the two parties had agreed on, and the remaining quotas under the so-called "basket mechanism" would not be limited.

But if the EC wanted to control the quotas because imports of each item were too high and were likely to disrupt the local industry, it had the right to negotiate with Thailand.

Mr Chare said the meeting would discuss a textile dispute over the new EC regulation on categories 6 and 21.

The EC had changed its garment description, which had affected Thai exports, and Thailand wanted the EC to allow a quota compensation in these categories.

Children of Refugees To Receive Nationality

BK1807131591 Bangkok Voice of Free Asia in Thai 1030 GMT 18 Jul 91

[Text] On 16 July, Foreign Minister Asa Sarasin spoke on the issue of Thai nationality for children of some 40,000 Vietnamese refugees who arrived in Thailand after the war in Dien Bien Phu. He said it was agreed in an earlier consultation between the Foreign Ministry and the Armed Forces that Thai nationality should be given to Vietnamese refugees, particularly those born in Thailand, to enable them to receive education and earn a living like other Thai citizens.

The foreign minister said Vietnamese refugees were once viewed as national security risks by past governments. However, since the communist threat from neighboring countries has declined to the point of nonexistence, a review was made. Asa also said the issue was a sensitive political matter between Thailand and Vietnam. Even now, when Thailand wanted to set up a consulate general in Ho Chi Minh City, Vietnam responded with a request to set up its consulate general in Udon Thani. He said Thailand has not acceded to the Vietnamese request.

'Major Progress' Made at Cambodia Meeting

BK1807021991 Bangkok BANGKOK POST in English 18 Jul 91 p 4

[Editorial: "Khmer Factions Keep the Momentum Going"]

[Text] Although the informal meeting of the Cambodian factions in Beijing has resulted in several agreements, the most notable being the one to make Prince Norodom Sihanouk the chairman of the Supreme National Council, the crucial issue of the United Nations role remains unresolved.

But this does not mean that major progress has not been made. The reality is that after more than a decade of war, of deep-rooted suspicion and mistrust, total agreement cannot be achieved in sessions spanning two meetings.

Even after the SNC meeting in Phatthaya, the Khmer Rouge and the Phnom Penh regime swapped allegations of ceasefire violations; calls continued for the trial of top Khmer Rouge leaders for their past actions while the Khmer Rouge continued to claim that Vietnamese troops remained in the war-torn country. Clearly there is no love lost between these two factions and successive meets have provided ample evidence of the difficulties involved in getting any kind of agreement on anything at all—major or minor.

In Phatthaya, to the surprise of many, the Cambodians did finally succeed in agreeing among themselves to an "unlimited" ceasefire and the cessation of foreign arms suplies. They also agreed, although under certain conditions, for the SNC to be headquartered in Phnom Penh. They also agreed to skirt the issue of the chairmanship and vice-chairmanship of the SNC by agreeing to make Prince Sihanouk the "convener" of future SNC meetings.

The Cambodians have managed to follow up the Phatthaya SNC accord with further agreements in Beijing. Most important was the decision to make Prince Sihanouk the chairman of the SNC and secondly to ask the United Nations to send a survey mission to help the SNC military working group monitor the ceasefire and cessation of foreign arms supplies. Another decision was to appoint a delegation to the United Nations General Assembly to be headed by the prince.

Admittedly these are secondary issues, but in view of the intransigence of the respective parties in the past, and the tactic of reaching agreement on less difficult issues while leading the more difficult ones to the last, the strategy is a wise one. The most crucial result of the Beijing informal meeting of the last few days is that the agreements reached ensure that the momentum of the peace process initiated at the Phatthaya SNC meeting is maintained.

And, if there was any previous question or doubts as to China's position, the results of the Cambodian informal meeting clearly indicate Beijing's determination and support for maintaining this momentum. This certainly raises hope that further meetings could eventually lead to peace. Make no mistake, though, serious differences remain. How much of a role the United Nations will play in monitoring and implementing the ceasefire as well as the elections still needs to be hammered out.

The relationship between the United Nations and the SNC remains a thorny issue, with the Khmer Rouge demanding full implementation while Phnom Penh wants modifications to make the body an advisor rather than an interim authority. The dismantling of the respective armed forces is also still to be solved.

Clearly, further flexibility and sacrifice is needed by all factions between now and the second SNC meeting scheduled for Bangkok in late August.

The Cambodians must keep in mind that agreeing to a final peace accord does not mean that their fight is over. A peace agreement means that they have come to an end of a sad and bitter journey and that the more challenging task lies ahead of them—the task of rebuilding their country devastated by war and forging a life that the Cambodian people have been deprived of for far too long.

Anan on Desire for Free, Fair Elections

BK1807013191 Bangkok THE NATION in English 18 Jul 91 p A2

[Text] Prime minister Anan Panyarachun said yesterday he hoped to see a free and fair election being held in Thailand in his lifetime.

Anan was responding to reporters' question on what he wanted to see in the general election promised by the National Peacekeeping Council to be held early next year.

"I hope to see a free and fair election once, preferably before I die," the prime minister said in jest.

Previous elections had invariably been marred by allegations of dishonest practices by politicians, including vote-buying and ballot stuffing, among others.

Asked if he could guarantee that the next general election would be free and fair, he snapped: "What guarantee? There is no such thing as a guarantee. You always want a guarantee for everything, don't you?"

Article Views Junta Rejection of Toll Fee

BK1807020791 Bangkok THE NATION in English 18 Jul 91 p A14

[By Sophon Ongkan]

[Text] There were two interesting events this week which warrant more than cursory attention. The first was the National Peace Keeping Council's [NPKC] flat rejection of a proposal by the Interior Ministry to approve an increase in the expressway toll fee. The second was strong support to the same plan unequivocally expressed by Prime Minister Anan Panyarachun.

A simple explanation from the ruling military junta was that the doubling of the toll fee to Bt [baht] 20 should be delayed until the next administration or until the second stage of the expressway is completed. By this, the NPKC will not be subject to public criticism or, to be more precise, a widespread displeasure among motorists.

Since when has the NPKC become very cautious when it has to deal with public sentiment? Very recently, and it is not difficult for us to understand why. The euphoria over their success in the Feb 23 coup had hardly reached the zenith before the junta leaders observed with astonishment, which was soon replaced by deep concern, the rapid reversal of fortune.

Throughout the past few months, the junta has been exposed to a series of negative publicity, and bashing from various public-interest groups. Obviously the intensity has reached a point where the top brass cannot allow further erosion of its image.

It is too late. The junta has, on several occasions, miscalculated public sentiment on sensitive issues, especially when they concern moral questions. Its clandestine support for the Samakkhitham Party, which has become so overt by now, turned out to be the biggest blunder so far.

But if Samakkhitham Party was founded with the sole purpose of discrediting the unscrupulous politicians and exposing their true colours, to create a general impression that an authoritarian rule should stand out as a better preference, then we have to commend the achievement. It is far more spectacular than expected.

Still, one can't help but believe that the junta's rejection of the toll fee increase was made because of a necessity rather than objectivity. It made that decision after spotting a screaming banner headline in a local mass-circulation daily and so it believed that the opinionated report represented nationwide public opinions.

Predictably the junta's move was designed to salvage its rapidly sinking reputation and to prevent further decline. Too bad, it was just another miscalculation. Upcountry people don't care how much the toll fee will be. The majority of them do not have the chance to use the expressway anyway and are more familiar with dusty roads full of potholes.

The provincial people will resent any attempt to divert part of their tax to increase the comfort of the favoured 10 million population or so in the city. True, the NPKC's decision could have been based on the genuine concern that the motorists have suffered enough and therefore should not be given more burden. By appeasing the public, the junta leaders would achieve two purposes in a single stroke, or so they thought.

Let's look at it the other way. The NPKC decision again confirmed public perception that it did not have cohesive policy, role and direction. By circumstances, it had to entrust the country's rule in a civilian administration without having the chance to reap the fruits of the coup.

Now that more than four months have passed, the NPKC leaders have not still gotten their act together. The public senses that they are confused and troubled by growing jitters over insecurity. On the contrary, their moves are being either forced by events or dictated by the fast-changing circumstances.

It is more so when Prime Minister Anan suggested that the toll fee increase should go ahead and for all types of motor vehicles, not just for passenger cars, as otherwise the government would have to provide financial support to the expressway operator.

Again by circumstances, the strange decision of the junta prompted speculation. Let's try to guess whether there was any hidden motive. Surely, it had nothing to do with economic feasibility. Was the blunt rejection of the proposal a thinly-veiled reminder for Interior Minister Gen Itsaraphong Nunphakdi that some of his past deeds and stands on certain issues had displeased the junta?

Be it betrayal or whatever, it must have been serious enough for the key junta leaders to risk possible deterioration in comradeship. The bold rejection showed that they were not prepared to give Itsaraphong a graceful exit. Clearly, face-saving was not on anybody's agenda during the junta meeting on Monday. The decision and subsequent publicity has considerably hurt the stature and clout of the stocky general, who is also the secretary general of the NPKC and deputy army chief as well.

There would be another reason why Itsaraphong was not given any face on Monday.

The speculation had it that certain junta leaders wanted it [to] be known to the soft-spoken general that he had not been assertive and forceful enough in his role as the chairman of the Telephone Organization of Thailand when the government was locked in the negotiations with CP Telecom over the controversial Bt100 billion telephone project. Throughout the tough talks, Itsaraphong remained passive and refused to be dragged into the conflict.

Some junta leaders were known to have been so sympathetic to CP Telecom that their tantrums and bullying tactics directed at a senior Cabinet member had almost put the NPKC on a collision course with the Anan government. The result was that the NPKC looked even more villainous in the eyes of the public.

Itsaraphong accepted his defeat without outward signs of remorse. A lesson was duly learned but painfully remembered. He knows by now that a grudge was allowed to override friendship and objectivity. Somehow he was surprised that support would come from the prime minister himself. Furthermore, Anan managed to have unanimous consent from his Cabinet on the issue. He also made it clear that the toll fee increase could be decided by the Expressway and Rapid Transit Authority.

Was the government's unwavering stand a return in kind for an unsolicited favour in the past? Only Anan knows. Whatever the prime minister is doing, he looks confident enough that he is betting on the right horse, at the right time, and in the long run.

This turned out to be no idle speculation after all. Anan emerged the winner yesterday.

Government Decides To Set Value-Added Tax

BK1807023191 Bangkok THE NATION in English 18 Jul 91 p A1, A2

[By Seni Wongsawat]

[Text] The government decided yesterday to set the value-added tax (VAT) at a flat seven per cent rate effective next Jan 1. It also amended the Revenue Code to provide a tax exemption for dividends earned by holding companies.

The decision on VAT was made by the Economic Scrutiny Committee following more than a year of controversy and debates between proponents and opponents of the tax. Opposition was particularly strong from those who will no longer be able to dodge tax payments in commercial activities.

VAT, a tax to sellers levied on the added value of goods or services in each stage of production, was designed to serve a number of purposes.

Proponents say it will eliminate double taxation, replace taxes on business transactions and plug tax evasion loopholes. More taxpayers would be brought into the system, increasing government revenue over the long term.

The VAT will be applicable only to businesses with annual earnings of bt [baht] 600,000 or over. Private firms with lower earnings will still be subject to business tax payments.

The government also provides options. For example, companies with annual earnings ranging from bt600,000 to bt1.2 million can choose to be included or excluded from the VAT system. If they want to be excluded, they can pay 1.5 per cent tax on their monthly sales turnover.

Companies who want to be included in the VAT system must keep all receipts for tax reference. Receipts will be issued for any transaction valued at more than bt500. However, a buyer can demand a receipt for a purchase under bt500 as well.

Businesses excluded from the VAT system are commercial banks, finance companies, insurance companies, real estate firms, traders of unprocessed or primary agriculturral commodities, fisheries, and those in the livestock industry.

Businesses involved in processed agricultural commodities, such as food services in hotels or restaurants, will be subject to VAT payment.

Furthermore, 14 types of products will be excluded from the VAT system but be subject to tax collection by the Excise Department: liquor, petroleum products, cigarettes, soft drinks, chandeliers, yachts, glassware, crystal, airconditioners, perfume, matches, automobiles and horse racing revenue.

Sources in the Revenue Department said that the government's decision to replace business taxes with VAT for certain items would lead to a decline in business tax revenue of about bt10 billion a year. The government currently collects about bt80 billion a year in business taxes.

The government previously sought to set VAT at 10 per cent and limit it to businesses with a minimum turnover of bt240,000 a year.

By giving options, the sources said, firms with annual turnover from bt600,000 to bt1.2 million may opt to stay out of the VAT system. Business operations with annual turnover within this range form a broad base for tax

collectoin. They are involved generally in the restaurant, hotel, and food industries, in which tax evasion is said to be common.

The sources said the Revenue Department would pay particular attention to these business to reduce tax evasion.

A short-term decline in tax revenue may prompt the government to change a plan to reduce income tax rates from the highest rate of 50 per cent to encourage tax payments, now that the government expects a tax revenue shortfall.

In another move, the government also eliminated double taxation for both listed and non-listed holding companies. Dividend earnings on subsidiary companies will no longer be subject to tax payments.

However, Finance Minister Suthi Singsane pointed out that the exemption would apply only when the holding companies do not have more than a 25 per cent stake in each subsidiary and the subsidiary firm to not have reciprocal or cross shareholding in the holding companies.

Dr Suthi said the changes were made in four areas under the Revenue Code. In the past, the holding companies were subject to tax payments on dividends earned from their subsidiaries.

A partial exemption was provided to the firms listed on the Stock Exchange of Thailand in cases when the dividends received did not exceed 15 per cent of the total earnings of the holding companies. This exemption meant that taxes could not be collected on half of all the dividends earned.

The new amendment was designed to encourage holding companies to pay higher dividends to shareholders, said the minister, who added that "the tax waiver will also lead to active investment as well."

To achieve a broader effect, the companies not listed on the stock exchange will also be entitled to tax exemption under the amendment.

Though the amendment has to be approved by the National Legislative Assembly, the minister expected that it would be in force before Jan 1 next year.

Another amendment was made to income tax assessment in mergers of companies. In the past, the Revenue Code required tax payments on one-third of the increased value of assets.

The change would provide a tax holiday to the merged companies, which will be subject to income tax assessment only after sales of assets are completed.

If there is a loss in a merger, the previous stipulation will require tax payments on the added value of assets, making it unattractive for companies to merge their businesses.

But under the amendment, the merged companies will be subject to tax payments ater the completion of assessment of their assets based on the market price. It means that the merged companies will pay lower tax in case a loss in incurred.

Another amendment to the Revenue Code provides leniency to payers of corporate income tax.

At present, corporate income tax is paid twice a year based on a rough estimate by business operators. But the government prohibits miscalculations of more than 25 per cent of the final assessment. Discrepancies exceeding that level in the final tax filing are subject to fines.

Under the change, listed companies, commercial banks and finance and securities, firms under the control of the Bank of Thailand will not be penalized in case the discrepancy exceeds 25 per cent in the final assessment.

Central Bank Predicts 5.8 Percent Inflation

BK1807012991 Bangkok BANGKOK POST in English 18 Jul 91 p 26

[Text] The Bank of Thailand was confident inflation this year would be in the region of 5.8 percent, spokesman Phisit Li-atham said yesterday.

This rate was considered satisfactory compared with the earlier projection of 6.5 percent,he added.

"We are confident that inflation would not be too high this year because now there is nothing which would create high inflationary pressure," he said.

Commerical banks' credit extension recently had expanded at a slower rate.

In June banks' credit extension on an annual basis rose 26.1 percent against 26.9 percent recorded in May.

But while the credit extension growth rate of banks had slowed, the deposit growth rate in June also grew at a slow rate compared with the growth in the preceding month.

He said that in June, after the government floated retail oil prices, prices of gasoline and diesel oil had declined 3-4 percent.

Such a decline would help reduce pressure for merchants to further increase their prices of commodities, in turn reducing inflationary pressure.

Prices of automobiles also declined following the heavy reductions in import tax on passenger cars, pick-up trucks, trucks and buses.

Mr Phisit said the money market had eased somewhat from the end of last month and he hinted that the central bank would not move to ease it further despite calls from commercial banks for it to inject more funds into the market.

Former Deputy Minister Cleared of Corruption

BK1907013491 Bangkok BANGKOK POST in English 19 Jul 91 p 3

[Text] Former deputy interior minister Trairong Suwannakhiri of the Democrat Party has been cleared by the Assets Examination Committee over claims of being unusually rich.

The committee probing the assets of 25 politicians in Chatchai Chunhawan's governments has so far declared nine to be unusually rich and cleared 10, including Dr Trairong.

Chairman Gen Sit Chirarot said slightly more than three hours were spent considering reports on Dr Trairong's assets. Gen Sit now has to sign as many as 170 letters to notify banks, financial institutes and other agencies that Dr Trairong's assets are no longer frozen.

The committee will speed up its work so it can rule on the six remaining politicians as quickly as possible, he said. They are former prime minister Chatchai and his personal aide, Pitak Intrawithayanun, former foreign minister Subin Pinkhayan, former agriculture minister Maj-Gen Sanan Kachonprasat, former deputy commerce minister Phinya Chuaiplot and former deputy communications minister Udomsak Tangthong.

The committee will meet again on Friday next week, Gen Sit said.

Dr Trairong said he is glad to hear he has been cleared but is not surprised because the announcement was what he expected.

"I can reaffirm that I hate corruption. I hate vote-buying. And I believe democracy suits Thailand best," Dr Trairong said.

He thanked those who had given him moral support and said he will continue to serve the people through the Democrat Party.

"I have acquired no extra property since taking the Cabinet post. My property is very easy to examine. But there were too many anonymous letters against me," Dr Trairong said.

New Police Officials Promoted in Reshuffle

BK1807013591 Bangkok THE NATION in English 18 Jul 91 p A1

[By Sirot Sukphinyo]

[Text] Assistant police chief Pol Lt Gen [Police Lieutenant General] Bunchu Wangkanon will be promoted to become deputy police chief along with two other Chunlachomklao Military Academy graduates who will take over the command of the police forces in the Central and Northeast Region in this year's reshuffle of 111 police officers.

The Police Commission, chaired by Interior Minister Pol Gen Itsaraphong Nunphakdi, yesterday approved the list of the 111 police officers to be reshuffled in October this year, pending Cabinet endorsement.

Apart from Bunchu, two other assistant police directors general, Pol Lt Gen Phongamat Amattayakun and Pol Lt Gen Poj Bunyajinda, will also be promoted to become deputy police chiefs.

Bunchu and Phonamat will replace two outgoing deputy police chiefs, Pol Gen Ophat Ratanasin, who is in charge of administrative affairs, and Pol Lt Gen Wiphat Wipulakon, who is responsible for crime suppression. The Police Commission created a new post of deputy director general in charge of development, for Poj. The responsibilities of Bunchu and Phongamat remained unclear yesterday.

As a result, the deputy directors general of the Police Department will now total six, compared to three before the Feb 23 coup. Following the military takeover, Pol Gen Prathin Santipraphop was promoted from the post of assistant police chief to the newly-created position of deputy director general to coordinate with the Nationl Peace Keeping Council (NPKC). The other two deputy police directors general are Pol Gen Manat Khrutchaiyan (special affairs), and Pol Gen Soem Charurat, whose retirement term was extended last year for another five years so he could serve as deputy director general in charge of the palace's police force.

Bunchu belongs to Chunlachomklao Military Academy Class Five, whose graduates now dominate the top positions in the army—Army Commander in Chief Gen Suchinda Khraprayun, second in command Gen Itsaraphong, Army Chief of Staff Gen Wirot Saengsanit, and the two assistant army commanders in chief.

Other prominent Class Five police officers to be promoted include Provincial Police Bureau 2 Deputy Commissioner Pol Maj Gen Suriya Thammachari, who will replace Pol Lt Gen Boonthin Wongrakmit as commissioner of the police bureau, Provincial Police Bureau 1 Deputy Commissioner Pol Maj Gen Suriya Moranon, who will succeed Pol Lt Gen Salang Bunnak as commissioner of the regional bureau, and Deputy Metropolitan Police Commissioner Pol Lt Gen Phaithun Suwanwichian as director of public information.

Provincial Police Bureau 1 commands all police forces outside Bangkok in the Central Region while Provincial Police Bureau 2's jurisdiction covers all provinces in the Northeast. The director of public information serves as the spokesman of the Police Department.

Three assistant police chiefs—Pol Lt Gen Wisit Sangkhaphong, Pol Lt Gen Wichai Wichaithanaphat and Pol Lt Gen Suchin Uthaiwat (all in administrative affairs) will retire this year. Their retirement, coupled with the promotions of three assistant police chiefs, will vacate six assistant police chief posts.

Their replacements include: Police Education Bureau Commissioner Pol Lt Gen Pracha Phromnok, Provincial Police Bureau 2 Commissioner Pol Lt Gen Bunthin Wongrakmit, Director of Logistics Pol Lt Gen Wisut Kittiwat, Director of Personnel Pol Lt Gen Maitri Chawalitthamrong, and Public Information Director Pol Lt Gen Chaloem Rotchanapradit.

Other appointments include:
Provincial Police Bureau 1 Commissioner Pol Lt Gen Salang Bunnak as police education bureau commissioner.
Border Patrol Police Deputy Commissioner Pol Maj Gen Michai Nukunkit as director of logistics carrying the rank of commissioner.
Provincial Police Bureau 4 Deputy Commissioner Pol Maj Gen Wirun Fuansaeng as director of personnel.
Border Patrol Police Deputy Commissioner Pol Maj Gen Chatchai Chaiarun as commissioner of the Border Patrol Police Force, succeeding outgoing Pol Lt Gen Phairot Butsayanawin.
Deputy Metropolitan Police Commissioner Pol Maj Gen Phibun Kunlawanit as commissioner attached to the National Security Council, replacing outgoing Pol Lt Gen Anan Detrangsi.

Vietnam

Ministry Spokesman Denies Holding POW's

BK1807121091 Hong Kong AFP in English 1151 GMT 18 Jul 91

[Text] Hanoi, July 18 AFP—Vietnam reaffirmed 18 July that there were no U.S. prisoners of war (POWs) alive in Vietnam.

The statement came after the release of a photograph purported to show three American servicemen shot down over Indochina during the Vietnam War.

"We have said [word indistinct] times that there are no U.S. prisoners alive in Vietnam," a Foreign Ministry spokesman said.

"As always, we are ready to cooperate with groups investigating the disappearance of Americans in Vietnam to verify information even if that information is only 0.01 percent true," the spokesman said.

(U.S. Administration officials were being sent to Vietnam to raise the issue, according to the U.S. Embassy in Bangkok citing a Washington statement. Kenneth Quinn, deputy assistant secretary of state for East Asian and Pacific affairs was expected to raise the issue in Hanoi along with other POW/MIA issues. No dates for his visit were given). The U.S. Government has not confirmed the authenticity of the photograph, which shows three U.S. pilots who were shot down over Laos or North Vietnam in 1966, 1969 and 1970 holding a sign dated April 25, 1990 that says "PHOTO LD-25-5-90, NNTK, K.B.C.-19."

An official at the U.S office set up here two months ago to investigate the whereabouts of those declared missing in action (MIA) during the war refused to comment on the photograph.

(According to well informed sources in Bangkok, the photograph turned up in the sprawling site-2 refugee camp on Thailand's border with Cambodia.

(Site-2 houses more than 180,000 refugees loyal to the Khmer People's National Liberation Front [KPNLF], one of two non-communist guerrilla groups allied to the Marxist Beijing-backed Khmer Rouge to fight Phnom Penh's Vietnam-installed government.

(The camp also houses a small number of refugees from Vietnam, both ethnic Vietnamese and ethnic Cambodians from southern Vietnam.

(Analysts speculated in Bangkok that the abbreviation K.B.C. in the sign held by the three men in the photograph could stand for "khu buu chinh" or Vietnamese for "postal sector."

(Before 1975, the phrase was used for military mailing addresses by the U.S.-backed South Vietnamese forces, which were defeated that year by Hanoi's communist troops. No elaboration could be found for the other abbreviations in the sign.

The Vietnamese spokesman said that the 14th joint search mission for MIAs began Wednesday and would continue until [passage indistinct] 20 in the provinces of Quang Nam-Da Nang, Quang Binh and Hue and around Hanoi. Some 25 U.S. experts have divided into several teams to search for the MIAs and collect information, the spokesman said, adding that Vietnam has so far recovered the remains of 452 presumed MIAs.

According to the Pentagon, 2,273 U.S. servicemen are officially missing, 1,656 in Vietnam, 528 in Laos, 83 in Cambodia and six in Chinese territorial waters.

Joint searches for MIAs began after a visit here in August 1987 by General John Vessey, the presidential special representative charged with the search for missing servicemen.

Radio Reviews Cambodian SNC Meeting in Beijing

BK1807143091 Hanoi Voice of Vietnam in English 1000 GMT 18 Jul 91

[Unattributed commentary]

[Text] The informal meeting of the Supreme National Council [SNC] of Cambodia held on 16 and 17 July in Beijing has become a focus of attention of world public.

For the first time the premier of the State of Cambodia has been to Beijing to attend a meeting.

Commenting on this event, the French newspaper LIBERATION said: China has gone through an important

and unprecedented long way to receive Premier Hun Sen in Beijing, thus taking a spectacular turn on the Cambodia issue.

Right on the first day of the meeting, the Cambodian factions reached an agreement on the composition of the Cambodian delegation to the 46th session of the UN General Assembly.

The five-member delegation is headed by Prince Norodom Sihanouk. On the State of Cambodia side are Premier Hun Sen and Foreign Minister Hor Namhong.

This unanimity as BBC radio on 16 July predicted was a good sign leading to hope for a solution to the Cambodian issue.

On the last day of the meeting, Mr. Sihanouk and Premier Hun Sen released a joint statement saying that Prince Sihanouk will assume the chairmanship of the SNC, that the council will retain its twelve-member composition and will not have a vice chairman. Mr. Sihanouk decided to resign as both president of the National Coalition of Resistance and President of the National Government of Cambodia.

What is important is he will stand neutral, acting as a conciliator without belonging to any faction or political party.

These agreements are not only spectacular but help to accelerate the process toward a political solution and as Prince Sihanouk and Premier Hun Sen pointed out, the best solution to end hostility between Cambodian sides through the neutral role of the conciliator, Prince Sihanouk.

Both men have called on members of the SNC to support these agreements.

Though numerous difficulties are lying ahead, these agreements surely facilitate the settlement of existing problems. They create favorable conditions for the forthcoming formal meeting of the SNC scheduled for August in Bangkok. It is obvious that such a spectacular and significant undertaking and activity will take place in the future in the settlement of the Cambodian issue.

They will not be so scarce as before as everybody is lending a hand to, or at least, let the Cammbodian people solve their problems themselves.

VNA Notes PRC Comments on SNC Meeting

BK1807160191 Hanoi VNA in English 1519 GMT 18 Jul 91

[Text] Hanoi VNA July 18—Chinese Foreign Ministry spokesperson Wu Jianmin described the freshly-held meeting of the Supreme National Council (SNC) of Cambodia in Beijing as a new step of development. "The political settlement of the Cambodian question has entered a new important stage," he said.

Speaking at a press briefing in Beijing this afternoon, Wu Jianmin said that China hoped the Khmer factions will forget their old enmity, achieve national reconciliation, and strive for an independent, peaceful and neutral Cambodia.

The Chinese Government, the spokesperson said, together with the international community, fully respects the efforts of the SNC and will promote the process of political settlement of the Cambodian problem so as to arrive at an early fair, reasonable, and all-round solution to the Cambodian issue.

Asked about China's viewpoint on the SNC suggestion to send a UN mission to Cambodia for cease-fire supervision, the spokesperson said she always supports a cease-fire in Cambodia.

Ministry News Conference on Cambodia, DPRK

BK1807125791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jul 91

[Text] Today in Hanoi, the Information and Press Department of the Vietnamese Foreign Ministry held a regular news conference. Comrade Phan Thuy Thanh, deputy head of the department, chaired the news conference, which was attended by many foreign and national newsmen.

1. The TASS correspondent asked: On the occasion of Chairman Hun Sen's visit to China, what results does Vietnam hope will come from the SNC [Cambodian Supreme National Council] meeting in Beijing? What is Vietnam's evaluation of the prospects for solving the current Cambodia issues? From Vietnam's point of view, what efforts should be made for an early and comprehensive political solution to the Cambodia issue?

Correspondents of the FAR EASTERN ECONOMIC REVIEW magazine and PRENSA LATINA requested information on Vietnam's view of the results of the SNC meeting in Beijing.

Comrade Phan Thuy Thanh answered: Vietnam welcomes and highly values the results of the SNC meeting in Beijing. Vietnam welcomes the agreement on the SNC's appointment of Prince Norodom Sihanouk as president of the SNC and the prince's decision to resign from his post as chairman of the tripartite National Coalition Government as well as the chairman of the tripartite National Coalition of Resistance.

The agreements recently reached by the SNC will open fine prospects for national conciliation in Cambodia and a peaceful resolution of the Cambodia issue. Vietnam has often affirmed its respect for all SNC decisions on the issue of Cambodian sovereignty.

Together with other countries, Vietnam will try its best for an early comprehensive, just, and reasonable solution to the Cambodian issue. Vietnam thinks that at present

the international community should encourage the negotiation process between the Cammbodian people themselves. In this way they can solve at an early date any disagreements, and reach a comprehensive political solution on Cambodia.

Vietnam has many times called on the Cambodian factions to stop fighting, and has called on foreign countries to temporarily stop giving military aid to Cambodia.

Vietnam has pledged to stop giving military aid to Cambodia and to not allow the transportation of weapons to Cambodia via Vietnamese territory.

Vietnam is ready to discuss effective international controls on implementation of the above-mentioned issues.

2. The VIETNAM NEWS AGENCY [VNA] correspondent requested information on Vietnam's opinions on the SNC application to join the Mekong Committee.

Comrade Phan Thuy Thanh answered: Vietnam welcomes SNC participation in the Mekong Committee. This is an important event in the process of cooperation among many members of the committee. The participation of the SNC now and of the Cambodian Government that will be formed after the election will contribute to making committee activity more effective. With the full participation of member countries, the Provisional Mekong Committee will have more conditions for becoming an official committee.

3. The VNA correspondent requested information on Vietnam's view of the DPRK's decision to apply to join the UN.

Comrade Phan Thuy Thanh answered: Vietnam, as always, totally supports the just struggle of the Korean people for the peace and unity of their homeland. Vietnam welcomes and supports just and reasonable initiatives and suggestions of the DPRK Government to relieve tension in the Korean peninsula and create favorable conditions for implementing peaceful unification by a peaceful road. In that spirit, Vietnam welcomes the DPRK's decision to join the UN. Vietnam thinks that this decision will help remove obstacles on the road leading to peace and reunification of Korea. This decision is a positive contribution to peace and stability on the Korean peninsula and the Northeast Asia region.

Commentary Views Arms Ban on Cambodian Factions

BK1707131091 Hanoi Voice of Vietnam in English 1000 GMT 15 Jul 91

[Station commentary]

[Text] The Vietnamese Foreign Ministry has issued a statement saying that Vietnam once again declares its commitment not to supply military aid to Cambodia and not to allow foreign countries to transport arms to Cambodia via its territory.

The suspension of military aid to all Cambodian factions is one of the important problems in the process of solving the Cambodian issue and this problem has been agreed upon by all the Cambodian factions. At their recent meeting in Phatthaya, Thailand, all the Cambodian sides committed not to receive foreign military aid as from 21 June 1991. Shortly afterwards, Prince Norodom Sihanouk issued a statement calling on all foreign countries to put an immediate end to their military supply to Cambodian parties and not to permit the shipment of arms via their territory to Cambodia. This issue, in fact, has been concerned and supported by many countries for a long time. The Soviet Union and the United States have put forth an initiative on moratorium on military aid to all Cambodian parties.

Over the past years Vietnam has done all it could for an early achievement of a political solution to the Cambodian question. A clear and important expression was its unilateral withdrawal of all its troops from Cambodia in 1989. Vietnam has also repeatedly voiced its strong support for a moratorium on military aid to all Cambodian parties. Especially, in recent months, Vietnam has three times issued statements affirming the suspension of military aid to its Cambodian faction. In its last week statement the Vietnamese Foreign Ministry affirmed that Vietnam commits to stop military aid to Cambodia and does not allow foreign countries to transport arms through its territory to Cambodia. Vietnam is ready to discuss an effective form of international supervision on the implementation of those commitments.

So far the cease-fire and moratorium on military aid to Cambodian parties has been unanimously agreed by all Cambodian parties and countries concerned with the Cambodian issue. This will be an important factor for the settlement of the Cambodian issue.

The next meeting of the Supreme National Council of Cambodia will be held in Beijing on 16 July and it is certain that the commitments on cease-fire and moratorium on military aid to Cambodian parties will create conditions for new achievements of the meeting. Vietnam and the State of Cambodia pledge to do all they can to make the meeting a success. In his letter to the Cambodian people last week, Chairman Hun Sen revealed that while in Beijing he will try his best to reach agreement on some common points with a view to putting an early end to the sufferings of the Cambodian people. It is hoped that the other Cambodian parties would do the same. People are following with keen interest this important event in Beijing.

Leaders Attend KPRP Anniversary Fete in Hanoi

BK1207140991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Jun 91

[Report on meeting held by the Communist Party of Vietnam Central Committee in the Ba Dinh Conference

Hall, Hanoi, on 28 June to mark the 40th anniversary of the Kampuchean People's Revolutionary Party—portions recorded]

[Summary] On the evening of 28 June the Communist Party of Vietnam [CPV] Central Committee, the Vietnam Fatherland Front [VFF], the Vietnam-Cambodia Friendship Association, and the Hanoi municipality party committee held a meeting in the Ba Dinh Conference Hall to mark the 40th anniversary of the Kampuchean People's Revolutionary Party [KPRP].

"Attending the meeting Presidium were Comrades Vo Chi Cong, advisor to the CPV Central Committee and State Council chairman; Pham The Duyet, Political Bureau member and secretary of the Hanoi party committee; Vu Khoan, party Central Committee member and vice foreign minister; Vu Mao, party Central Committee member and chairman of the Vietnam-Cambodia Friendship Association [VCFA]; Pham Van Truc, vice chairman and general secretary of the VFF Central Committee; Uch Borit, ambassador plenipotentiary of the State of Cambodia to Vietnam; Bouasi Chaleunsouk, ambassador plenipotentiary of the Lao People's Democratic Republic to Vietnam; and many other leaders of our party and state." Comrade Vo Chi Cong delivered an opening speech:

[Begin Vo Chi Cong recording] "This year the CPV Central Committee, the VFF, the VCFA and the Hanoi party committee organized this solemn meeting to mark the 40th anniversary of the KPRP. Commemorating this glorious historic day of the KPRP is an opportunity for us to recall the 40 years of hard and dangerous struggle full of sacrifices, ordeals, and glorious victories of the Cambodian people under the KPRP leadership, to express our joy over the victories won by the Cambodian people, to thank the party and people of Cambodia for their precious support and assistance to the Vietnamese revolution and, at the same time, to manifest the loyalty and determination of our party and people to continually do their utmost to cooperate with the party and people of Cambodia in consolidating and cultivating the relations of solidarity and special friendship between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos in order to help bring about victory for each individual country in its strugggle in the new stage for peace, stability, and development in each country, and for peace, stability, and cooperation in Southeast Asia and the world." [applause] [end recording]

Then, Comrade Pham The Duyet delivered a speech to greet this glorious historic day of the KPRP and clearly pointed out the political significance of the KPRP's birth. Appraising the KPRP's efforts and achievements over the past 12 years, he said:

[Begin Pham The Duyet recording] "Over the past 12 years or more, the KPRP with its correct line has always upheld the banner of patriotism and international solidarity to lead the Cambodian people who, with their bare hands and the assistance of many international friends, have overcome countless ordeals and fierce enemy attacks to create a marvellous resurrection from the hell on earth created by the cruel genocidal Pol Pot regime, and have achieved great victories in all fields. Particularly, over the past 2 years since all the Vietnamese volunteer troops withdrew home, the Cambodian people have brought into play their self-reliance and unity and resolved to struggle to defeat all frenzied plots and acts of the Khmer opposition forces. They have firmly maintained territorial sovereignty, political security, and social order; continued to build their country; and step by step stabilized and improved the people's livelihood. Through combat, their revolutionary armed forces have matured quickly and are becoming a reliable guarantee for national sovereignty and security and the people's peaceful life. We welcome the accords between Hun Sen, chairman of the Council of Ministers of the State of Cambodia, and Prince Sihanouk in Jakarta and Bangkok as well as the initial positive results of the recent Supreme National Council meeting in Phattaya, considering them a new step in progress toward an overall political solution to the Cambodia issue." [end Duyet recording]

He pointed out the close fraternal solidarity between the CPV and the KPRP over the past few decades.

Cambodian Ambassador Uch Borit then expressed profound gratitude to the fraternal party, state, and people of Vietnam for organizing this solemn meeting.

[Begin Uch Borit recording in Cambodian fading into Vietnamese translation] Dear comrades and friends, on the occasion of today's solemn meeting, on behalf of the party, state, and people of Cambodia, we respectfully pay homage to the late great President Ho Chi Minh, the ingenious leader of the CPV and an outstanding child of the Vietnamese people. We pay tribute to the late predecessors of the KPRP and CPV who sacrificed their lives for the revolutionary st[illegible] in each country, for the common victory of Cambodia and Vietnam, as well as for the three fraternal countries of Cambodia, Vietnam, and Laos. We express our profound thanks to the Vietnamese mothers, aunts, uncles, brothers, and sisters who shed their blood for the Cambodian revolution and the revival of the Cambodian people from the genocidal Pol Pot clique's [illegible] on earth. Before concluding, I would like to wish the comrade leaders of the party and government, and the cadres and fraternal people of Vietnam plenty of health and new successes in implementing the CPV's Seventh Congress in order to improve social life, develop the national economy, and uphold the banner of peace in the region and [illegible] world over." [applause] [end recording]

Finally, Chairman Vo Chi Cong read a closing speech wishing the fraternal Cambodian people even more victories in national defense and construction. The meeting ended amid elation and emotion imbued with fraternity.

Foreign-Invested Projects Licensed in 1991

BK1807153791 Hanoi VNA in English 1422 GMT 18 Jul 91

[Text] Hanoi VNA July 18—In the first half of 1991, the State Committee for Cooperation and Investment granted licences to 60 foreign-invested projects with a total capital of 636 million US dollars, of which 550 million were contributed by the foreign partners.

This brings to 273 the number of foreign-invested projects licensed so far with a total capital of 2,093 million US dollars. Of these, 46 projects are business contracts, 212 are joint-stock ventures and 15 are one hundred percent foreign invested projects. The areas which drew most foreign investments are oil and gas (24.9 percent), hotel construction and tourism (23.4 percent), agriculture, forestry and aquatic products (21.4 percent) and industry (20.9 percent).

CPV Greets Sandinist Congress in Nicaragua

BK1807154191 Hanoi VNA in English 1510 GMT 18 Jul 91

[Text] Hanoi VNA July 18—The Central Committee of the Communist Party of Vietnam today extended its warm greetings to the First Congress of the Sandinista National Liberation Front (FSLN).

The greetings message said :

"We firmly believe that the FSLN Congress will lay down the appropriate line and policies to continue the Nicaraguan people's struggle for a paceful, friendly independent, democratic and developed Nicaragua."

The message reaffirmed the firm solidarity of the party and people of Vietnam with the FSLN and the Nicaraguan people in the new stage of their noble revolutionary cause.

Bulgarian Discusses SRV Workers' Repatriation

BK1807161591 Hanoi VNA in English 1509 GMT 18 Jul 91

[Text] Hanoi VNA July 18—A delegation of the Bulgarian Labour and Social Assistance Ministry led by Minister Emilia Maslarova paid a working visit here from July 14-18 to discuss the safe and orderly repatriation of Vietnamese guest workers in Bulgaria.

The Bulgarian delegation held talks with a delegation of the Vietnamese Ministry of Labour, war invalids, and social affairs led by Minister Tran Dinh Hoan, with which it signed a protocol on this question. The two sides expressed the wish for continued cooperation in social work and labour between the two countries.

The Bulgarian guests were received on July 17 by Vice Chairman of the Council of Ministers Tran Duc Tuong.

Vo Tran Chi Addresses Seventh CPV Congress

BK1407101391 Hanoi NHAN DAN in Vietnamese 27 Jun 91, p 2

["Excerpt" of statement by Vo Tran Chi, delegate from Ho Chi Minh City, at Seventh National Congress of Delegates of Communist Party of Vietnam]

[Text] The seventh party congress has stressed the concept of "developing the multisectorial commodity economy according to the market mechanism and under state management." This is an issue of paramount importance for the current renovation line. However, there is still another issue of equal importance. By this, we mean the need to realize the connection between the commodity economy and key economic sectors as well as the two probable contradictory aspects of the commodity economy itself.

Looking back at history, we see that in the course of the formation and development of the commodity economy in Vietnam, many economic centers emerged, including Saigon, now Ho Chi Minh City. These are economic commodity centers of the country. The formation of these centers is associated with geographical, natural, and historical conditions. At the same time, the integration and growth of these centers also depend on the constant development of goods production and circulation. Each economic center has its own strengths. However, only when those strengths are linked with, and integrated into, the strengths of other economic centers can they develop their effect. If the economy in the mountain region is not linked with that in the lowland area, and if the national economy is not linked with the world economy, those economies will be unable to develop their strengths. The rate of economic growth depends on the pace of production, goods circulation, and consumption. Those economic strengths have a reciprocal effect, like a huge circulation system, and each step in the direction of progress and integration will create conditions for further development. The higher the speed of progress, the greater the scope of development and integration. It can be said that the rate of economic growth and the volume of social products depend to a large extent on the pace of progress based on that objective law.

Therefore, economic centers cannot develop by and for themselves, but must keep pace with the development of the commodity economy. Those centers are the converging point of different forms of economic development and manifest the aggregate strengths of the various localities and sectors forming the commodity economy. They play a role in securing integration and development through production capabilities and effective goods circulation, demonstrated by objective results.

It is also worth noting that in addition to the state economy, other economic sectors can play that role depending on the scope and strength of their economic activities. In the past, Ho Chi Minh City used to be a self-sufficient economic center rendered ineffective by

the system of breaucratic centralism and state subsidization. Following the sixth party congress and especially with the seventh party congress this time, we are equipped with a plaftform and a socioeconomic development strategy stressing the need to develop the multisectorial commodity economy according to the market mechanism and under state management. This has created conditions for Ho Chi Minh City to positively fulfill its active role. As part of the commodity economy, the various economic sectors in the city must constantly broaden their economic ventures and multifarious cooperation with other economic establishments at home and abroad on an efficient and mutually-beneficial basis. The goals to be achieved are as follows: To continually increase our economic growth rate and constantly broaden the scope of our economic cooperation.

Of course, the impact of the various economic sectors may not be always positive. The reason is because, as components of a multisectorial market-oriented economy, those economic sectors inevitably incline toward a fierce spontaneous development. This is particularly true with our city's commodity economy, which is small in size but consists of so many components. It is important for us to urgently apply different economic management mechanisms and capabilities, promptly draw from our experience, and use appropriate "economic leverages" aimed at effectively preventing and containing spontaneous negative phenomena.

First of all, it is necessary for the state macromanagement sector to firmly grasp the rules governing the operations of the multisectorial commodity economy as well as the positive and negative roles of the various economic sectors. In this way, there will exist conditions for us to take the initiative in formulating mechanisms, systems, and policies, particularly policies toward financial and monetary affairs, infrastructures, and so forth, aimed at vigorously stimulating all economic capabilities. At the same time, it is necessary to keep a cool head in order to accurately foresee the situation and take necessary, timely, and instructive measures to cope with such fraudulent maneuvers as smuggling and speculation, that are indications of the spontaneous development of the multisectorial market-oriented economy. Actual experience in the past several years has taught us some very vivid lessons. Apart from very encouraging results, we have also made certain mistakes that have driven us into a very precarious situation.

The Ho Chi Minh city party organization delegation expresses great unanimity with the sixth party Central Committee's assessment that regarding party members' performance and party-building work, "the party has not attached due importance to the need to revamp its organization in accordance with President Ho Chi Minh's testament," and that" it is necessary to effect changes of revolutionary significance among party organs and apparatuses at all levels."

Uncle Ho had this to say in his testament: "The first thing that needs to be carried out following the liberation is to revamp the party so that party members, cadres, and youth union members all try their best to fulfill the duties entrusted by the party and whole-heartedly serve the people. By doing so, we will fulfill all tasks, surmount all difficulties, and score victories." Uncle Ho's thought is very profound, but the words he used to express it are very simple. Therefore, we need to devote time to studying his thought in order to have a thorough understanding of its underlying significance.

The total victory of the national democratic revolution also meant that we succeeded in building the party over the past few decades. Throughout this course, our party has gained much valuable experience and has matured. No one can deny this. However, when adopting the strategy of a new revolution—the socialist revolution being the most positive and profound—all experience gained, no matter how fruitful it is, is still insufficient and can not meet the requirements and new problems posed by the revolution. The reason is that when a strategy is changed, all goals, objectives, lines, policies, organizations, and methods can not remain intact as before. The party's demands on its members in the new situation, and the ordeals of the new struggle—ordeals party members did not face during the national democratic revolution—have caught quite a few party members off-guard since they lack ability in many areas. This is particularly true in the cases of clashes and encounters with material interests, when most of our party members are those who have earned their merit and authority and have come from the bourgeoisie in cities and rural areas. As a result, it is difficult to avoid the spontaneous factors in party members in the new situation. It is clear that entering the new struggle, we have failed to make necessary preparations for enabling our cadres and party members to overcome extremely complex and difficult circumstances, battlefields, and traps; and they have had to risk their quality, competence and political ability. Moreover, for a long period of time, the bureaucratic mechanism has made party members inactive and dependent. They have relied on their authority, lost their militancy and restricted their dynamism and creativity—always the characteristics of a vanguard party member.

This is the root cause of our large yet weak contingent of party members. Although there are many party members, their quality is poor because many of them are degenerate, deviant, and mediocre. Some of them are even no better than ordinary people in terms of quality and political knowledge.

This seventh party congress has set forth the platform, the socioeconomic strategy, and the political tasks aimed at continually enhancing the renovation process. One point we have to assert definitively, then, is to build a firm and strong party capable of fulfilling its historical mission of leading our people in successfully building the country during the period of transition to socialism, as mentioned in the platform.

To this end, efforts to revamp and build the party and renovate its operating procedures must be regarded as part and parcel of our short-term and long-term objectives. In implementing the party Central Committee's policy on consolidating the party and purifying the contingent of party members, the Ho Chi Minh City party organization has achieved some initial results and gained experience. However, compared with the requirements set by this party congress, there is still much room for improvement. One phase or even one year is not enough. Instead, this strategically important drive must be carried out by many generations.

As far as party-building work is concerned, it is of decisive importance to urgently launch a widespread movement among all party members to make personal efforts to consolidate the ideological stance of the working class and to improve scientific knowledge and managerial skills. In this way, all party members will take self-imposed discipline seriously, will make personal efforts for self-improvement, and will resolutely guard themselves against all indications of self-contentment and irrational self-complacency. Only by so doing, can there be conditions for the seventh party congress platform, socioeconomic development strategy and resolutions to be implemented and applied to life, thus turning them into a vigorous driving force to lead the renovation undertaking to even greater achievements. It can be said that in all possible ways we have to sharpen our determination to constantly turn our party into a scientific and creative Marxist-Leninist party founded by immortal President Ho Chi Minh.

Corporation Set Up for Gold, Silver, Gems

BK1907065491 Hanoi VNA in English 0500 GMT 19 Jul 91

[Text] Hanoi VNA July 19—The Vietnam National Gold, Silver and Precious Stones Corporation (under the Vietnam State Bank) made its first public appearance at a ceremony here yesterday.

The corporation, Viet Gold for short, set up under Decision No. 180-CT on June 8, 1991 of the chairman of the Council of Ministers, will be supplied by the state with a capital equivalent of 1,000 kg of gold.

Viet Gold trades in processed export and import gold, silver, and precious stones. Its headquaters is located in Hanoi, and its representative offices and processing enterprises will be set up in provinces and cities.

At the inaugural ceremony, Viet Gold Director General Le Thanh Long said that 39 out of the total 44 gold and silver companies throughout the country have become members of the corporation.

Haiphong Party Studies Socioeconomic Situation

BK1807094191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 15 Jul 91

[Text] The Haiphong Party Standing Committee is working with leaders of departments, sectors, wards, districts, and towns to gain better understanding of the city's socioeconomic situation; evaluate results achieved in the past five years by the grassroots organizations, particularly organizations of the important economic sectors; and, on that basis, further perfect reports on the current situation and supplement reports on evaluation of the party committee's management work in its last term so these reports can be presented to the coming second-round party congress.

The Standing Committee plans four socioeconomic programs to develop Haiphong in the coming years. These are the balance of food and production, the balance of consumption and export goods, the program of external relations and economic development, and the program of population and family planning.

The committee is concentrating on developing a city with seaports, overseas and internal transport shipping lines, shipbuilding and repairing, commercial tourist and service activites, an abundant and diversified agricultural industry, and strong points of a city with advantages in fishing, breeding, and processing of sea products for export.

Ho Chi Minh City Card Phone System Installed

BK1907044691 Hanoi Voice of Vietnam in English 1000 GMT 17 jul 91

[Text] A card-operated phone system will be installed in Ho Chi Minh City. The system, the first ever in Vietnam, is the outcome of an agreement between the Municipal Post and Telecommunication Department and Malaysia's Sapura Holdings Sdn. Bhd.

For a start, the municipal telephone company will issue about 140,000 cards.

Ministers' Decision on Bach Ma National Park

BK1907045991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Jul 91

[Text] On 15 July 1991, chairman of the Council of Ministers issued a decision approving economic and technical projects in Bach Ma National Park. The park is in the locality of Phu Loc and Nam Dong districts of Thua Thien-Hue Province with a total area of more than 22,000 hectares.

The Bach Ma National Park will be responsible for the implementation of the programs of protection, research, propaganda and education for the natural protection and tourist service.

The decision intructs the Thua Thien-Hue People's Committee, Ministry of Forestry, and related organs to coordinate in the construction and management of the park.